

# **PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE**

## **Inquiry into the 2025–26 Budget Estimates**

Melbourne – Tuesday 3 June 2025

### **MEMBERS**

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Jade Benham

Michael Galea

Mathew Hilakari

Lauren Kathage

Aiv Puglielli

Meng Heang Tak

Richard Welch



**WITNESSES**

Jaclyn Symes MLC, Treasurer;

Chris Barrett, Secretary,

Chris Hotham, Deputy Secretary, Budget and Finance,

Paul Donegan, Deputy Secretary, Economic,

Camille Kingston, Deputy Secretary, Commercial, and

Kate O'Sullivan, Deputy Secretary, Infrastructure, Department of Treasury and Finance;

Paul Broderick, Chief Executive Officer and Commissioner, State Revenue Office;

Michael Larkin, Chief Executive Officer, Treasury Corporation of Victoria; and

Kate Galvin, Chief Executive Officer, Victorian Funds Management Corporation.

**The CHAIR:** I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please be turned to silent.

I begin by acknowledging the traditional Aboriginal owners of the lands on which we are meeting, the lands of the Wurundjeri people. We pay our respects to them, their elders past, present and emerging as well as elders from other communities who may be here with us today.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2025–26 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, any comments repeated outside of this hearing may not be protected by this privilege.

All evidence given today is recorded by Hansard and is broadcast live on the Parliament's website. The broadcast includes automated captioning. Members and witnesses should be aware that all microphones are live during the hearings and anything said may be picked up and captioned even if said quietly. Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream today and other committee members.

I welcome the Treasurer of Victoria the Honourable Jaclyn Symes as well as officers from the Department of Treasury and Finance. Treasurer, I am going to invite you to make an opening statement or presentation of no more than 10 minutes, after which time committee members will ask you questions. Your time starts now.

**Jaclyn SYMES:** Thank you, Chair. I appreciate the opportunity to spend some time with the committee. Of course I begin by acknowledging the traditional owners and paying my deep personal respects to elders past, present and emerging, and I extend that to any Aboriginal Victorians that may be in the room today or joining us online.

In addition to representatives from the Department of Treasury and Finance we have available experts from SRO, the Victorian Funds Management Corporation and Treasury Corp Victoria as potential witnesses if the committee desires.

**Visual presentation.**

**Jaelyn SYMES:** I will take you through a presentation before getting to the question stage. Obviously this is my first budget as Treasurer, and it is squarely focused on the really important issues to Victorians – cost of living for everyday people but also investing in the frontline services that people rely on. We wanted to back Victorians not just through the challenges of today but identifying the opportunities for tomorrow. We have been able to do that because we made responsible choices, carefully weighing up the decisions and making sure that every dollar is going to where it matters most, meaning, importantly, that the budget in Victoria returns to surplus. As I said, we are focused on the things that matter most: real help with the cost of living, good hospitals, great local schools, safe communities, decent jobs and opportunity wherever you live or aspire to.

In terms of our economy, it is strong. Over the past decade we have led the states in real economic growth, adding \$138 billion to Victoria's economy. That strength has allowed us to be resilient to global cost-of-living pressures and elevated interest rates over the past two years. Victoria's economic growth is expected to gather pace in 2025–26, with forecast real GSP growth of 2.5 per cent, up from an estimated 2.0 per cent in 2024–25. Victorian wages are expected to grow at a rate higher than inflation for the first time since the pandemic, which is good news because it means that household spending will be up and real wage growth will be up, and the expected easing of interest rates will also contribute to a strong economic outlook. The number of Victorians in employment has risen by 684,400 since 2020, more than any other state over this period. Employment is expected to continue to increase, with over 230,000 additional jobs projected to be created in our state over the next four years.

Businesses of course are recognising the strength of the Victorian economy and continue to choose Victoria as a place to do business in and invest in. Again, we are leading the nation in this regard. In the last five years, more than 113,000 new businesses have been created in Victoria, the largest percentage growth of any state. Victorian businesses, in terms of investment, have increased by 46 per cent, compared to 26 per cent for the rest of the country. Over the past year alone it grew by 3.7 per cent, compared to a 1.3 per cent fall across the rest of Australia. Of course we know that we have to commit to backing business continually. We want to ensure that this growth and this positive outlook remains – growth means more jobs, higher wages and better standards of living. That is why this budget delivers \$627 million to help businesses find new opportunities and to continue to support the Victorian economy, as you can see on the slide.

You will have heard a lot about our cost-of-living package. This is really important to so many Victorians. It is \$2.3 billion in this budget. Some highlights are the new \$100 power saving bonus for Victorian concession card holders; doubling food relief, including food shares; continuing free kinder; increased payments through the Camps, Sports and Excursions Fund; the very popular free public transport for kids and teens under 18; and free care from our network of urgent care clinics by the expanded network of mental health and wellbeing locals and help through the virtual emergency department. We are also enabling more pharmacists to prescribe more medications with free consultations, helping people avoid time at a GP or emergency department. We are the only state that offers this for free.

We can of course only make these important investments because we are firmly on track to deliver on the government's five-step fiscal strategy. The budget delivers an operating surplus, as I said, the first since before the pandemic, and then we are forecasting average surpluses of \$1.9 billion over the estimates. Towards the end of the forwards, net debt is declining as a proportion of the economy and we are moderating and maintaining a sustainable infrastructure pipeline. The global ratings agencies have provided positive initial feedback in relation to this year's budget.

Back on to infrastructure: as Treasurer, as you can see from this slide, this will certainly guide the work of government to oversee a sustainable infrastructure program, returning infrastructure investment towards pre-pandemic levels. We are about to complete and open some of government's landmark major projects, such as Metro Tunnel and West Gate Tunnel. As a consequence, we expect GII to moderate to \$15.6 billion by 2028–29, with a pipeline of projects averaging \$17.9 billion a year over the budget and forward estimates, as the graph demonstrates.

Again I have got lots of graphs and slides for you. That is a particularly good demonstration of the economy growing: our revenue forecast is growing significantly faster than our expenses. The total expenses for the general government sector are forecast to increase 2.6 per cent a year on average over the forwards, relative to 3.8 per cent average forecast for revenue and 5.3 per cent in economic growth. This sets us up particularly well to deliver sustained growth that reduces net debt as a share of GSP, achieving our fifth step in our strategy,

which was on the screen a couple of slides ago. This is consistent with the motivation to commission the independent review of Victoria's public service, led by Helen Silver, to ensure that our spending is aligned to the needs and priorities of Victorians. The final report will be received in a couple of weeks, but we are already acting. We are stripping back inefficiency in government spending, reducing duplication and winding back non-priority programs. We want to improve our capacity to service our debt while also allowing us to continue in the services and programs that Victorians expect.

Touching on some portfolio areas in health, we are investing an additional \$11.1 billion. We know how important it is to get the care that you need close to home. Included in here is \$9.3 billion for hospital care, opening and operationalising nine new or expanded hospitals, including Footscray, Frankston and Maryborough.

Education – of course every family wants and deserves for their kids to have the best start in life, and that begins with a great education. We are investing \$2.7 billion to build new classrooms, supporting our teachers, and you can see some of the highlights on the screen in relation to the investments that we are making.

In the transport area, we are switching on the Metro Tunnel, with \$727 million to deliver more services for the Sunbury, Cranbourne and Pakenham lines, as well as an additional \$99 million to deliver more train services across the network. We are also delivering more services on the Craigieburn, Sandringham, Upfield and Werribee lines, as well as Seymour and Traralgon services, and Bendigo will get more carriages for their weekend services. Big investments also include the \$4.1 billion superhub at Sunshine station, taking us in a crucial next step forward towards airport rail. There is \$162 million to deliver improved bus services and a massive injection, as you can see at the bottom of the screen, into fixing and resurfacing our roads, particularly relevant to regional Victorians in my experience.

Talking about regional Victoria, I have a slide demonstrating that this budget is looking after Victorians regardless of where they live. Obviously everyone in the state benefits from the cost-of-living package, but in relation to our regions, we are also providing a dedicated \$777 million for regional roads and transport, \$117 million to improve regional education, \$216 million for health care and a \$50 million regional stream for the Victorian Investment Fund. There is also investment in CFA stations and the National Centre for Farmer Health. In relation to some of the specific locations, I can provide some greater detail throughout the question stage of this hearing. Thank you, Chair.

**The CHAIR:** Thank you very much, Treasurer. The first set of questions is going to Mr Welch.

**Richard WELCH:** Thank you, Chair. Thank you, Treasurer. In regard to Treasurer's advances, there are large sums now in the Treasurer's advances pocket. These have been traditionally for emergencies or for unforeseen expectations, but now they are funding routine things such as the SEC and public libraries. So how does that align to the historic purpose of Treasurer's advances?

**Jaelyn SYMES:** Mr Welch, I thank you for your question. I get quite a bit of interest in the Treasurer's advances, so it is a good question to ask and a good opportunity for me to take the committee through how they work. In one instance, as you have identified, Treasurer's advances are for unforeseen circumstances, things that you could not have possibly known were going to happen. One of the most obvious examples of that is natural disasters and ensuring that we are providing funding where it needs to go most, so we do set aside a bit of a contingency in relation to that to make sure that something that is not in the budget papers can flow to where it is needed. In relation to the Treasurer's advance mechanism for when it is used for contingency releases, it is a slightly different process, because what we do as a central agency is hold money at DTF rather than give the full amount to, say, a project that might be in another department. We have got the estimates of how much it is going to cost, so that is why Treasury have got it in relation to their coffers, for example, and then can release it based on milestones as departments need it. They are often a precondition to the funding agreements with departments. We get reports back from departments, and therefore it is sort of like when the bills are due, effectively, rather than lump sums going out to different departments. So it is used as a mechanism to release a contingency.

**Richard WELCH:** Yes, but, Treasurer, it is a very opaque mechanism because there is no breakdown of what contingency funding there is by department and there is no clarity on what they cost. So the question is: how many of these advances have been simply because of operational overruns in the last two financial years?

**Jaelyn SYMES:** That is not how it works, Mr Welch. I have been trying to explain to you. We might look at the budget paper, because in this year's –

**Richard WELCH:** So there has been no funding for operational overruns on budgets from the Treasurer's advances?

**Jaelyn SYMES:** This is a more transparent process than we have ever had before in Treasurer's advances. When I became Treasurer I was asked about Treasurer's advances and how they how they operated, and to your point, some people were concerned about whether it was transparent enough. You will see in this year's budget, on page 34 of budget paper 5, we have really taken the time to set out the general government output, so contingencies not allocated to departments. The reason that you cannot specify exact amounts is that it would put you at a disadvantage in relation to a lot of your contractual negotiations, commercial in confidence and the like. You do not want to telegraph to the people that you are negotiating with how much you have set aside to pay for their contract. The issue is, if you break it down by each department, that is effectively what you are telegraphing to the world, so that is not a financially responsible way to operate our finances.

**Richard WELCH:** No, that would be true if it was a line item, but there is no commercial sensitivity around that when you are dealing in figures in aggregate. I think the concern is that we are really using Treasurer's advances pretty much as a routine method now of funding politically sensitive or under-reported or underscrutinised initiatives and avoiding parliamentary debate or scrutiny.

**Jaelyn SYMES:** Well, that is just not right, Mr Welch. I have explained to you it is a mechanism to release funds as milestones are reached. It is a mechanism to make sure that you are withholding money for expected demand, such as in health and education. It is actually responsible financial management to operate in this way. It becomes fully reportable in the AFR and has a full breakdown once it is expended, but not ensuring that you have the money available for things that you think will come up or you know will come up would actually be reckless.

**Richard WELCH:** For clarity then, Treasurer's advances will not be used for budget overruns. So where a department has failed to budget correctly and they have overrun, you will not be using Treasurer's advances for that purpose?

**Jaelyn SYMES:** I have tried to break it down as clearly as I can in relation to how it works, Mr Welch.

**Richard WELCH:** You were describing planned expenditure; I am talking about unplanned expenditure, which was the historical purpose of Treasurer's advances in the first place.

**Jaelyn SYMES:** For emergency and unforeseen circumstances, it is appropriate to have contingency.

**Richard WELCH:** Operational budget overruns. It is not emergency – operational budget overruns. So they are unexpected, but they are because there has been a failure in budgeting.

**Jaelyn SYMES:** I think I have answered your question, Mr Welch. There is not a slush fund that the Treasurer gets to spend at their discretion. This is about ensuring that when you know what a project is going to be worth you are holding it back and releasing funds as appropriate. It is also important to have a contingency for emergencies that Victorians would expect us to respond to, whether it is drought, fire, floods and the like. In relation to your question, you asked about the historical use of it. Treasurer's advances obviously peaked during the pandemic, as you would expect, because they were used as a mechanism to make sure we could respond to the health needs of Victorians, but as a proportion of total appropriations Treasurer's advances have fallen by 50 per cent in the last four years, from 19.4 per cent in 2021 to less than 10 per cent now. The total Treasurer's advances provision this year is \$9.7 billion, and I have explained to you why we hold that money back, as is appropriate, to release for projects.

**Richard WELCH:** Yes, but in the appropriations Bill, schedule 3, you are saying it has peaked and it is going down. But we have \$4 billion of payments relating to decisions made post budget, and you have got \$7.6 billion of payments relating to contingency releases. So is that the total aggregate of Treasurer's advances that will occur, or are there further allowances off-books that we do not know about?

**Jaelyn SYMES:** That should be it, and they will be reported in the normal way. In fact, as I said, we have broken up the contingencies and the Treasurer's advances from the traditional Treasurer's advances, as I think you appreciate. Where your questioning aligns is in relation to the non-emergency contingencies, which is more about milestones of projects. That we have tried to break out as much as possible to be more transparent than we have ever been before, which is demonstrated in this year's budget papers.

**Richard WELCH:** Right. In terms of our public debt, what is your strategy? We are going to have \$194 billion by 2029. How will you reduce debt? Is that going to involve taxes or cuts or both?

**Jaelyn SYMES:** Mr Welch, I thank you for your question. It is important to step back and understand why Victoria's debt is in the position that it is in. That is because we have invested in productive infrastructure. I have taken you through my slides. Metro Tunnel, West Gate Tunnel: these are investments ensuring that the state gets moving. They ensure that businesses and the community can benefit from this investment, which indeed drives productivity in our state. We also have a contributing factor obviously of the Victorian government deciding, appropriately, to use its budget, its balance, to ensure that Victorians during the pandemic had their health and businesses protected. That cost a lot of money. In relation to the cumulative debt, that is the big driver of where we are at. That is why we have the five-step fiscal plan to get us back on track to respond to, obviously, where we got to. In terms of what we are doing to manage our debt, consistent with many other countries, we have, as I said, made those productive investments and the COVID investments. We have got a COVID debt repayment plan, which I think you would be familiar with; I think you have asked me about that in the house before. It was designed to raise amounts of funds, including covering interest on debt, to offset the impact of the COVID debt. That is something that is I think three years in the running.

**Chris BARRETT:** Yes, that is right.

**Jaelyn SYMES:** So we have got another seven in relation to that going.

**Richard WELCH:** Treasurer, if I could just draw you back to the question. You mentioned productivity is one of the ways we are going to address the debt. What proportion of the debt will be addressed by productivity gains?

**Jaelyn SYMES:** Our five-step fiscal strategy is all about reducing net debt as a proportion of the economy. If I can take you to the aggregates that are in the budget –

**Richard WELCH:** But specifically you mentioned productivity. What contribution will productivity make to debt reduction?

**Jaelyn SYMES:** Well, net debt to GSP is forecast to peak and decline. What we want to do is make sure that our net debt peaks. As I said, I will take you to the aggregates because at the end of the aggregates we will be declining our debt as a proportion of the economy.

**Richard WELCH:** But, Treasurer, I will draw you back to the question again, because I do not think you answered it. You explicitly said that one of the methods that was going address the debt was because you had invested in productivity projects. So to what degree do those projects reduce debt?

**Jaelyn SYMES:** Because as you grow the economy, your debt becomes a lower percentage –

**Richard WELCH:** By what proportion? What is the figure?

**Jaelyn SYMES:** That is why I was bringing you to the aggregates in the forwards. I will take you to budget paper 2, chapter 1, page 5, where you can see at the top of that page net debt to GSP, which is the bottom measure. We are looking at 25.1 per cent for this year, peaking in 2027–28 and declining in 2028–29 to 24.9 per cent.

**Richard WELCH:** And what proportion of that is driven by productivity gains?

**Jaelyn SYMES:** All of it.

**Chris BARRETT:** If I might. It would be very hard to disaggregate, Mr Welch, in terms of what is due to productivity growth and what is due to – I mean, as you know, there are the three Ps: there is participation in

the labour market, there is productivity and there is population. We have not done modelling that would break that out in terms of the productivity –

**Richard WELCH:** But it has just been relied on to use as a statement, as a debt reduction measure.

**Chris BARRETT:** That would then go to whether the forecasts are accurate, Mr Welch, and we are very confident in those forecasts.

**Richard WELCH:** Okay. What proportion is to be reduced by productivity?

**Chris BARRETT:** I could not tell you that number off the top of my head, because it would depend on the future –

**Richard WELCH:** Are you happy to take it on notice?

**Chris BARRETT:** Well, no, because it is not –

**The CHAIR:** Mr Welch! Excuse me, Secretary. Mr Welch, you can ask the question. I would ask you if you can afford witnesses the opportunity to answer. It appears Mr Barrett does have an answer to your question, so allow him to answer. Mr Barrett.

**Chris BARRETT:** Well, what I was going to say is you then need to know the forward path of productivity growth, which we do not know.

**Richard WELCH:** Okay. Thank you. Treasurer, in the context of the record debt that we have, how is the government going to balance infrastructure investment ongoing with the need for fiscal responsibility?

**Jaelyn SYMES:** I might take you back to my slide, Mr Welch, that went through this in detail. You might recall this slide that we put up before. It is about ensuring that we have a sustainable infrastructure pipeline, and what we are wanting to do and what I am committed to do as Treasurer is ensure that our spend on infrastructure moderates and declines to pre-pandemic levels. That is important obviously because we have invested heavily in the productive infrastructure that Victorians need considering our population growth. To your points earlier about ensuring that we are helping to grow the economy, we want to moderate that to a level that continues to invest in hospitals, schools and roads et cetera. Importantly, you have got to maintain an appropriate construction pipeline for jobs. If you drop it too far, then you are going to negatively impact the job market et cetera. Reducing our spend on expenditure is part of responsible management of our finances and complements the five-step fiscal strategy.

**Richard WELCH:** Thank you, Treasurer. In terms of that expenditure, of course the quantum of expenditure may be reducing, but obviously the debt accumulated in the process of that expenditure does not. What are the attributable interest payments on those projects going forward that are not reflected in the year-to-year expenditure?

**Jaelyn SYMES:** I take issue with the framing of your question, Mr Welch, because what you are implying is that it is somehow positive for the economy not to build productive infrastructure.

**Richard WELCH:** No, I did not say that at all. That is not what I said. I asked what was the interest that is attributable to that expenditure, because it is obviously debt financed. What is the interest? You may be reducing the expenditure as a quantum, but what is the interest?

**Jaelyn SYMES:** Well, the budget paper clearly goes through our interest costs, right? So we have made the investments in productive infrastructure – that is about growing the economy, that is ensuring that our debt as a proportion of the economy continues to reduce.

**Richard WELCH:** That you cannot quantify, yes.

**Jaelyn SYMES:** By the end of the forwards, as I said, our economy is going to be worth around \$780 billion. That makes debt more easily serviceable, because it will be around 8 to 9 per cent of the total by the end of the forwards. I do not like to make comparisons to mortgages but a lot of other people in the world of economy do that, and 8 to 9 per cent of \$780 billion is not a bad position to be in. You asked about interest rates

and the interest that the government services. That is why it is important to invest and grow the economy, to ensure that those percentages remain low compared to the size of our economy.

**Richard WELCH:** Thank you, Treasurer. I think we have established you cannot quantify what that contribution is, but in terms of –

**Jaelyn SYMES:** The papers go through interest and debt in the budget paper, and interest repayments are fully disclosed each and every year, so I am not quite sure –

**Richard WELCH:** Again, it is just that you again used productivity to describe a way of addressing it.

**Jaelyn SYMES:** No, sorry. I am just wanting to make sure that you understand that the amount of interest is disclosed, and it is in the budget paper.

**Richard WELCH:** Yes, I accept that. But on that interest the question is: have you done modelling on, were we to have a fall in our credit rating, what impact that would have on our interest liability?

**Jaelyn SYMES:** I will ask the Secretary to address that.

**Chris BARRETT:** Thanks, Mr Welch. This gives me an opportunity to draw members' attention to chapter 6, which is at the back of budget paper 2, which goes through and addresses exactly the kinds of questions that you are asking there, Mr Welch, because they are reasonable questions that people ask. What would the budget aggregates look like if, for example, our employment forecasts looked different or if our GSP forecasts looked different? And that includes interest rates as well. It models the effect of a 100 basis point increase in interest rates, and you can see the impact on the budget from that. Now I am not saying, by the way, that that is going to happen, but that just gives you a bit of a sense of the sensitivity.

**Richard WELCH:** But have you modelled specifically on a fall of credit rating?

**Chris BARRETT:** No, we have not.

**Richard WELCH:** So we do not know what the impact would be?

**Chris BARRETT:** Because you would need to know what the impact on your borrowing costs would be. But as soon as you know what the impact on the borrowing costs is you can deduce the outcome from the back of budget paper 2.

**Richard WELCH:** So Treasury has not done any modelling on the budgetary impact of a credit rating fall?

**Chris BARRETT:** No, we have not.

**Richard WELCH:** None at all?

**Chris BARRETT:** No.

**Richard WELCH:** We have to renew Treasury bonds. Am I correct that the figure is, between new and rolled over debt, about \$30 billion a year?

**Chris BARRETT:** Yes, that is about right.

**Richard WELCH:** And we have not modelled what interest rate that might be if we had a fall in credit rating?

**Chris BARRETT:** Well, we have certainly modelled what the impact on the budget would be of a change in interest rates. That is in here.

**Richard WELCH:** But not credit rating.

**Chris BARRETT:** Well, I mean, the only thing that the credit rating would do would be to change the interest rates, and the reason why we have not modelled that is because the five-step fiscal strategy is aimed at retaining the current credit rating and improving it over time.

**Richard WELCH:** So you hope we do not lose credit rating.

**Jaclyn SYMES:** It seems as though you hope the other way.

**Richard WELCH:** Hope is the plan. Treasurer, can you provide any details of your recent meetings with Moody's, including any specifics raised and the government's justification for maintaining its credit rating?

**Jaclyn SYMES:** Mr Welch, you saw me last week in the Parliament. The week before I delivered the budget. I have not had the time to get to New York quite yet. I actually leave tomorrow.

**Richard WELCH:** Right. It is urgent. Have you received any correspondence or indication from the rating agencies that our state credit rating may be facing an unfavourable review?

**Jaclyn SYMES:** No, Mr Welch, and in fact again I will take you to some of the comments that they have made, because they have released public statements. I will read out some quotes. You asked specifically about Moody's. After the release of the budget they released a statement saying that:

The government's cost-saving measures and continued re-profiling of capital expenditure sustain Victoria's track record of strong fiscal management and governance.

So I am very much looking forward to discussing their statement and their views of our budget, given the positive statement that they have issued in writing, when I meet with them this week. What is today?

**Chris BARRETT:** You are meeting with them on Friday.

**Jaclyn SYMES:** Friday.

**Richard WELCH:** As you would be aware, Victoria has the lowest credit rating of any Australian state, and you are going over to negotiate with Moody's.

**Jaclyn SYMES:** I would not call it a negotiation.

**The CHAIR:** Thank you, Mr Welch. We are out of time. We are going straight to Ms Kathage.

**Lauren KATHAGE:** Thank you so much, Chair. Treasurer, it is fantastic to see you here in this new role, and it has been great to see the budget papers come out. In budget paper 2 you set out the strategy and the outlook of the government. We heard a little bit now from Mr Welch about responsible financial management, and I know we have heard previously from credit rating agencies about our fiscal strategy and their positive views on that five-step fiscal strategy. The start of budget paper 2 sets out that approach to responsible financial management. Can you speak a bit to how that contributes to delivering on or achieving that fiscal strategy?

**Jaclyn SYMES:** Thank you, Ms Kathage. I think you are someone that has been on the committee for a couple of years now. Actually, the fiscal strategy is something that I am sure members that have been on for some time have been following along, and it is very pleasing that we have been able to reach another step. So I am very happy to take the committee through that. As I think I indicated in my presentation a little bit and in the questioning with Mr Welch, in relation to pretty much coming out of the pandemic and the position that we were in financially – for good reason – we wanted to have a clear strategy to protect households and businesses through the pandemic, but what we wanted to do with our plan was make sure we had a strong foundation to bounce out and ensure that the economy could recover quickly. That is effectively what commenced, with a four-step plan, in the 2020–21 budget, and we updated to a fifth step in the 2024–25 budget to reflect the progress that we had been making in relation to the steps.

In relation to the strategy, the five steps are: step 1, create jobs, reduce unemployment and restore economic growth; step 2, return to an operating cash surplus; step 3, return to an operating surplus, which was demonstrated in this year's budget; step 4, stabilise net debt as a proportion of gross state product; and step 5, reduce net debt as a proportion of the GSP. In terms of the progress that we have been making in those steps I will recap, although I am sure you would have heard it in previous iterations of these hearings on past budgets and obviously from my predecessor, and I thank him for his work.

Step 1 is about creating jobs, reducing unemployment and looking at economic growth stimulation. We achieved that quite significantly, with 648,000 Victorians finding a job since 2020, and we are continuing to see

strong employment outcomes and robust economic growth, which some of my slides in the presentation went to. The second step is returning to an operating cash surplus, which is where the state's cash inflows exceed its cash outflows on operating activities – obviously a key pillar for fiscal sustainability; without that, you do not go forward. 2024–25 will be the third consecutive operating cash surplus that we have delivered, and we are projecting operating cash surpluses across the forwards. The third step is returning to an operating surplus, a critical achievement as this is the point at which the state's revenue covers both cash expenditure and the ongoing replacement of existing assets. We are achieving this step in this budget with an estimated operating surplus of \$600 million this year, and we are also projecting operating surpluses of around \$1.9 billion over the forward estimates, which is what the aggregates that we were looking at before will show. The fourth step is stabilising net debt as a proportion of GSP and obviously involves progressively improving operating surpluses but also continuing to grow the economy, and the budget projects that we will achieve this step from 2026–27 onwards. The fifth step is about reducing net debt as a percentage of GSP. Net debt to GSP is forecast to decline from 25.2 per cent in 2026–27 to 25 per cent in 2027–28 and then, as I pointed out to Mr Welch, decline further to 24.9 per cent in 2028–29.

Following the fiscal strategy involves discipline, and we have demonstrated in this budget that we have a commitment to that discipline and therefore a commitment to financial responsibility. It is why, as Mr Welch – sorry, Mr Welch, I keep reflecting on you. You asked a broad range of questions quite relevant to the fiscal strategy. But it is these types of things that rating agencies look at. Mr Welch asked me about comments that Moody's had made, but effectively, similarly, S&P have made budget report comments as well, saying:

We view Victoria's commitment to controlling operating costs, delivering promised savings, and slowing growth in debt as important for maintaining ...

our credit rating.

Again, many of the meetings that I am having this week and next week in New York will touch on some of the comments that the rating agencies have made, but the fiscal strategy and the five steps that I have outlined are what predominantly they are expected to look at. Having said that, it is my first meeting with them, so it will be very much a conversation about our great state, and some of their views that they have started to make in public commentary will be something that I will be asking them about.

**Lauren KATHAGE:** Thank you. A little bit further on in that budget paper you talk about the review of the public service that was started in February to make sure that the service is aligned with the government's priorities around cost-of-living relief and key services. How will that review balance that responsible financial management that we have been talking about as well as deliver on those cost-of-living and key service delivery priorities?

**Jaelyn SYMES:** Thank you, Ms Kathage. In relation to the independent review, obviously I have been Treasurer for about six months now, and coming in it was a good foundation to have the five-step fiscal strategy. I was pretty keen to ensure that we have all eyes on the public sector to make sure that we are operating efficiently and delivering the services of excellence that Victoria is known for but making sure that we sharpen that focus as much as possible. That is why I asked Helen to come and lead an independent review. As you said, we established that in February. Its goal is to reduce inefficiencies so that we can really focus on key government services, particularly frontline services, but it is also an opportunity to just look at how we are operating to make sure that we are as efficient but as focused as possible. As I said, frontline workers – there is a broad definition, I guess, but most people would expect nurses, police, teachers, et cetera – are outside the scope of the review. Independent functions such as integrity agencies and Parliament are excluded; it is probably something that you guys could look at in relation to some of that. It is looking at spending inefficiencies and where things can be improved. One of the particular focuses is public bodies and other entities. Public entities have actually grown faster than the VPS as a whole, so a stream of work will consider efficiency gains that might be possible for consolidating some of those bodies, winding them down or bringing them back in house to departments, for example. Recommendations that I am expecting will also look at the structure of the public service, with the aim of reducing the VPS back to its pre-pandemic share of Victorian employment. It is also about not just efficiency but productivity; making sure that we are focused on being the best we can, effectively, is kind of what I am hoping to get out of this. Reducing duplication – I think one of one of the –

**Nick McGOWAN:** Some ministers could go, perhaps.

**The CHAIR:** Mr McGowan!

**Jaelyn SYMES:** One of the issues I think that can creep into governments everywhere is that when people are busy doing things that matter to Victorians, you can get duplication, particularly across different departments, unless you have got someone effectively looking from above. I think that is one of the benefits of having an independent review that can take a step back from your day-to-day activities of running a department or your day-to-day work. There is significant overlap recognised with the Commonwealth, for example, and I think that is something that would benefit Victorian taxpayers in relation to where they are getting their services from. We have got some crossovers with local government and also the private sector. It is all about improving effectiveness, productivity, accountability and the culture of VPS. As I said, I want people to enjoy their jobs and be able to focus on why they do it, and I think the majority of the public sector get out of bed every day because they want to make Victoria better and they want to do a great job for the community.

The recommendations of the Silver review will be given to me. It will be about ensuring that we can complement the fiscal strategy. It is about making responsible decisions in a budgetary sense, and that will indeed feed into the fiscal strategy, which is all about, as I said, getting to that fifth step, reducing net debt as a share of GSP. And part of that is reducing the costs that we spend on running the VPS.

**Lauren KATHAGE:** I think the same budget paper has another way that some incremental improvements are being made around reforms to the *Financial Management Act*, and it speaks about what some of those reforms might be. How are we going to keep that Act? It is pretty old now. How are we going to update it to be fit for purpose in this modern world we are talking about with pandemics and all?

**Jaelyn SYMES:** It is a great question. It is something that not a lot of people get excited about, but it is important work. Between me and the Minister for Finance, who has a greater ability to make things sound a bit more exciting in this patch than me – he will be taking the lead on the reforms of that act predominantly. As you said, it is quite old; it was created in 1994. It was off the back of the global economic downturn of the early 1990s, and it was designed to establish a legislative framework for the financial management of the Victorian public sector. It goes without saying that we have had a lot of advances in the way we do things, particularly with the support of IT examples. We have become more complex – or sophisticated; we will go with sophisticated before more complex, but both are true – in the 30 years since the act was introduced. It is important to ensure that that framework reflects the needs of a dynamic financial and economic environment and should align with contemporary approaches to governance, performance and risk management.

That is why in last year's budget we announced that we would review the *Financial Management Act* to ensure that it remains fit for purpose, and that work has been completed. It did find that the majority of the Act is fundamentally sound, but it did identify improvements that we could make. For example, the amendments create settings for a more risk-based approach to financial management by enabling smaller agencies to be more agile while holding the larger ones to a higher benchmark. You can create inefficiency by drowning small agencies in templates, paperwork and the like, so we want to make sure that we have got an eye on everyone without causing them additional impost and administrative concerns, which is reflective of and consistent with the work that we are undertaking with the Silver review with the buy-in of departments. The proposed changes are all about embedding government's expectations, which reflect my expectations that sound financial management includes establishing, adhering to and monitoring set budgets that are put in place at the start of the year, which should not be novel. I think that just ensuring that that is embedded in legislation is important, because it actually has not been. There is no explicit requirement for departments to do that. That is not to say that they do not, but making sure that the legislation reflects reality and expectations is something that I believe should happen.

We are introducing a requirement for agencies to stick to their set budgets and report any financial risks through an early warning system so that we, particularly as the Department of Treasury and Finance, can step in and assist before it becomes a bigger issue. That is really important to ensure again we can reflect and address any financial issues and make sure that we can help people through those, so being able to better manage those risks as soon as they are identified and putting in place the interventions before the risks manifest into something that is much more significant, whether that is a problem in the policy. But from a financial perspective, something that would end up costing more money is something that these reforms will help avoid. It is a signpost for the public sector about the importance of maintaining and continually improving sound and sustainable financial management. The change will provide us with a timely opportunity to reset expectations and strengthen

accountability for every dollar that is given to agencies and improve transparency. Again, back to your earlier question, it is about supporting our fiscal strategy and our discipline to financial management.

**Lauren KATHAGE:** Thank you. I think you have been taking your own medicine in that regard. You took us earlier to some tables that Mr Welch was asking you about on Treasurer's advances, and you showed us how the budget papers have changed in relation to the government output contingencies table and then the equivalent one for assets. They are on pages 34 and then 36 of budget paper 5. 'General government output contingencies not allocated to departments' is on page 34, and page 36 is 'General government asset contingencies not allocated to departments'. Can you talk us through and, I guess, explain those tables a little bit and how the budget papers really focus on that transparency over government spending of non-allocated funds or funds in contingency?

**Jaelyn SYMES:** Yes. I appreciate the question. I think we sort of got halfway through an answer with Mr Welch, because I was referring to page 34 with him and you have identified page 36 as well, which is useful. As I sort of went through, contingencies have played an important role in responding to events like natural disasters and emergencies. The other one that comes up from time to time is the opportunity to match funding with the federal government. We would use a Treasury advance mechanism if there is an announcement from the federal government that says you can participate in a program that will deliver a service but only if you do 50–50, and so you do not want to miss those opportunities for additional funding for Victorians. So that is another example of where an unexpected use of expenditure might be appropriately facilitated by Treasury advances. It is just a mechanism to enable us to release money as and when appropriate.

As I said earlier, contingencies are also used when liability is not certain or because the funding is commercially sensitive or could undermine the government's bargaining position, and that is what some of the tables go to that you have referred to. In those papers we include the additional reporting of the purposes of contingencies. So the output contingencies that are tabled under 'General government output contingencies not allocated to departments', you will see that that breaks down the contingencies into three categories. The first of the categories is 'Output milestone'. They are contingencies held centrally until the relevant project reaches a milestone, which makes the funding certain enough to release to the department. The second category is called 'Future services demand allocation'. This provision is mostly for meeting additional price and demand growth for sectors such as health and education. The final category is 'Provision for unforeseen circumstances', which is the only component that is not allocated, but it is, as I was referring to before, set aside for those unforeseen – we live in a state that is continually hit by disasters. They hopefully do not eventuate, but we know that they often do, which is why it is appropriate to set aside in that category.

The new reporting shows that almost 99 per cent of all contingencies are set aside for a specific purpose, and it is only the 1 per cent of the contingencies that are unallocated. It shows there that by far the largest category is funding held for when milestones are met on capital projects. For example, this year 60 per cent of contingencies are set aside for capital milestone payments. As I was at pains to try and explain as clearly as possible to Mr Welch, holding the payments centrally until the relevant milestones are met improves our oversight of spending by departments. It does strengthen accountability for the use of those funds, especially on large capital funds, rather than just allocating the full amount at once. It enables us to track that expenditure and – a bit similar to the reasons that we are changing the *Financial Management Act* – make sure that accountability is as robust as possible. The reason that it is going down as well is because our capital expenditure is reducing. They have had historic highs, as Mr Welch was indicating. That is because we were building a lot of necessary infrastructure. As that is tapering off, so are our contingency payments, or our TAs, in relation to those particular capital projects, as you would appreciate. But this year's budget is about publishing breakdowns. We have provided more detail than ever before. It continues to be an issue, so I am sure I will continue to have to try and explain this. But I appreciate your question, because between the two of you, I think I have put a lot on the record as to how important TAs are and why we use them the way we do.

**The CHAIR:** Thank you, Treasurer. We will go straight to Ms Benham.

**Jade BENHAM:** Morning, Treasurer. The data provided in the gazette on Friday – last Friday, 30 May – showed that the new Emergency Services and Volunteers Fund will cover 43.3 per cent of the costs of the new funding recipients: SES, Triple Zero, Forest Fire Management Victoria et cetera. Collectively this tallies up to \$464 million for 2025–26, which is a saving of \$464 million to consolidated revenue. Where in the budget can

we find a tax cut for Victorians of the equivalent amount given that they are now paying that \$464 million from the new Emergency Services and Volunteers Fund?

**Jaclyn SYMES:** Your question is a little jumbled for me, Ms Benham, sorry. Are you asking about the gazette or are you asking about the budget papers or are you asking about tax?

**Jade BENHAM:** No, we are asking about the figures that we have taken from the gazette that illustrate the forecast funding requirements for each funding recipient – in the gazette on Friday – that total \$464 million for the new services to be funded from the Emergency Services and Volunteers Fund. That will fund 43.3 per cent of the new recipients of that, which would normally be funded from consolidated revenue. So where in the budget papers is that saving or the tax cut for Victorians of \$464 million?

**Jaclyn SYMES:** I think the problem that I have with the way you have articulated your question is that you are making an assumption that the Emergency Services and Volunteers Fund is the only funding allocation for emergency services, and that is not the case.

**Jade BENHAM:** No. That funds the 43.3 per cent of the new funding recipients – forest fire management, triple zero, VICSES, Emergency Management Victoria, State Control Centre, Emergency Recovery Victoria, the emergency alert program and the emergency management operational communications program. They are all funded to 43.3 per cent, so doing those figures based on that, that adds up to \$464 million coming from this fund. All of those programs are currently funded from consolidated revenue. Now, almost half of that –

**Jaclyn SYMES:** I do not accept the premise of your question. Let me answer it in this way. The way you are articulating your question is taking us down an incorrect assessment. There will be more money for emergency services; the emergency management output is increasing. So is there a particular issue you have with the funding provisions to anything in the emergency services portfolio?

**Jade BENHAM:** We are trying to get to the point that at the moment right now, without the Emergency Services and Volunteers Fund, these services are currently wholly funded from consolidated revenue. So if they are to be funded to the tune of 43.3 per cent being raised from the emergency services fund, is there a tax cut for Victorians to the same figure?

**Jaclyn SYMES:** No.

**Jade BENHAM:** Okay. Thank you. The decision to pause the Emergency Services and Volunteers Fund for drought-affected farmers that was announced last week will cost the budget around \$73 million. That will reduce the revenue raised by it from \$1.623 billion, as per the budget papers, to \$1.55 billion, as shown in the gazette on Friday. As you said earlier, every cent goes towards emergency services. The breakdown of this levy money to all of the funding recipients tallies \$1.538 billion, leaving a difference of \$12 million. So why are we short-changing emergency services by \$12 million, and where is that \$12 million going?

**Jaclyn SYMES:** But again, Ms Benham, what you are trying to articulate is a false narrative.

**Jade BENHAM:** They are your figures, Minister.

**Jaclyn SYMES:** The Emergency Services and Volunteers Fund raises a component of funding for emergency services, 90 and 95 per cent for SES, FRV and CFA, reduced for other emergency services organisations to reflect their direct interactions with emergency services. We will continue to fund more and above what the levy raises on our emergency services, as we have year after year with the fire services property levy. This is just a sustainable funding model designed to ensure that base funding is supplemented and continues to be stable so that we are in the best position to respond to more frequent, more serious disasters that hit our state and to ensure that all of the funding goes to that endeavour. That is what the legislation is all about.

You mentioned the \$73 million as a result of making the appropriate decision to ensure that drought-impacted farmers are not seeing any increase. When I made that announcement with the Premier last week, I made the firm commitment that that change does not impact any of the commitments that we have made in relation to the funds that will be made available for emergency services, particularly in relation to the new trucks and expenditure that I have outlined –

**Jade BENHAM:** Treasurer, there is a \$12 million shortfall between the revenue raised, the forecast revenue in the 2025–26 levy year, now with \$73 million left, and what is actually being funded. And these figures are all listed in Friday’s gazette. It comes to \$1.538 billion, not the \$1.55 billion. You have said that all funds should go to emergency services, so why aren’t they?

**Jaclyn SYMES:** Ms Benham, as you would appreciate, the gazette – have you got a copy of the gazette?

**Jade BENHAM:** I have got it in front of me.

**Jaclyn SYMES:** The gazette only outlines the ESF money to emergency services. It does not include the additional funding that I have started to outline. It does not include the cost of collecting the revenue – the \$12 million is admin costs.

**Jade BENHAM:** So it costs \$12 million to collect this, even though councils are doing it.

**Jaclyn SYMES:** I would refer you to the footnote that is under the gazette:

These estimated amounts do not include Government statutory contributions, ad hoc funding provided throughout the levy year ... or administrative costs associated with the levy and volunteer offset scheme.

**Jade BENHAM:** Administrative to the tune of \$12 million? Councils do not want to do it. Is that indicating that the State Revenue Office might take it on?

**Jaclyn SYMES:** Councils were asking for admin costs directly. That was their ask.

**Jade BENHAM:** They are also asking to not be the collection agency.

**Jaclyn SYMES:** Well, that was your former government. Your former government introduced the proposal.

**Jade BENHAM:** Couldn’t the \$12 million be used for the State Revenue Office to collect this, seeing every council in this state does not want to collect it?

**Jaclyn SYMES:** The royal commission that followed the Black Saturday fires made the recommendation – that the coalition government at the time introduced – this as the appropriate mechanism for collecting a levy for fire services.

**Jade BENHAM:** So the \$12 million is going to councils?

**Jaclyn SYMES:** What we have done – funding already goes to councils to collect the fire services property levy.

**Jade BENHAM:** Is the \$12 million shortfall going to councils?

**Jaclyn SYMES:** What we are doing is expanding it to ensure that the likes of the SES can be included in the fund. We actually are not changing the collection mechanism that was introduced by your government.

**Jade BENHAM:** Is the \$12 million going to support those administration costs with councils?

**Jaclyn SYMES:** As I indicated in the footnote, some of that cost will be in relation to administrative costs. We are continuing to consult with the MAV and councils in relation to supporting them, as we always have, pre the changes. The commitment that I gave through the legislation was to ensure that they could be provided ongoing administrative support, and some of the funds will support that, yes.

**Jade BENHAM:** Let us move on to the budgets then. If we can have a look at the breakdown of these budgets –

**Jaclyn SYMES:** Which budgets?

**Jade BENHAM:** The ones listed in the gazette. And we –

**The CHAIR:** Ms Benham, just for the sake of the committee, you just need to provide the budget papers, which I think will help direct all of us to what we are supposed to be looking at.

**Jade BENHAM:** Sure. The budget paper that we are referring to, obviously, is budget paper 3, page 158. We are talking about the funding levels for the emergency services and the emergency services fund. The last full year funding figures that we have been able to get from your office during the bill briefing process were from 2023–24. If we have a look at FRV being funded from the Emergency Services Volunteer Fund, 90 per cent of their funding comes from that fund, which equals \$761,772,000, which is 90 per cent of the total budget of around \$846,413,000. In 2023–24 that figure was \$961,403,000. So the funding levels have dropped to the tune of nearly \$115 million.

**Jaclyn SYMES:** All right, yes. It is kind of outside the scope of the committee. What I will point to – Ms Benham is referring to the gazettal, which, for the benefit of the committee, is not part of the budget papers, as you would appreciate. In the discussions for the legislation one of the amendments that was put forward by the Greens party actually was wanting to see a breakdown so that we could demonstrate to all Victorians that every dollar raised by the Emergency Services and Volunteers Fund would be going to emergency services. In relation to the figures that you have been quoting, I want to put it very, very clearly on record – and you will be able to check this again with the Minister for Emergency Services later on this afternoon – that there are no funding cuts to any emergency service organisations, and there will not be. Any statement to the contrary is wrong, absolutely wrong. Every single dollar raised by the emergency services fund goes back to the emergency services, and it is enshrined by legislation, which is what we have done. Since coming to government we have doubled the annual funding for emergency services that Victorians rely on, with nearly \$2 billion allocated in 2025–26 alone. As you can see, that is indicated in the budget paper that you referenced on page 158. Overall funding for emergency services increased by 14 per cent in that year alone. The gazetted figures do not account for all funding provided to emergency services, and their estimated forecasts reflect the proportion of each budget funded through the ESVF.

**Jade BENHAM:** So the gazetted figures are the figures that are funded through the Emergency Services and Volunteers Fund –

**Jaclyn SYMES:** Which in no way represent the total funding.

**Jade BENHAM:** No, but the figures are here – the percentage of funding of the recipient’s budget. It is not hard to work out; it is basic arithmetic. But it indicates that almost every single service – CFA, \$42 million less than 2023–24.

**Jaclyn SYMES:** Ms Benham –

**Jade BENHAM:** VICSES, nearly –

**Jaclyn SYMES:** Ms Benham –

**The CHAIR:** Excuse me, Treasurer. Ms Benham, there is a point of order.

**Lauren KATHAGE:** Thank you, Chair. I think the scope of the inquiry is the budget papers. The Treasurer has demonstrated she is very happy to answer questions on this, but relying on back-of-the-envelope calculations by the Member for Mildura to answer questions – I think we should stick to what is in the papers.

**Jade BENHAM:** On the point of order, Chair, this is entirely relevant because the figures have now changed as of last Friday, when there was an announcement from the government that part of this fund would be suspended. So new figures came out in the gazette on Friday that do not add up. These are not back of the envelope; they were all pointed out in the gazette on Friday. It is not hard to do some basic arithmetic to figure out that there have been cuts to everything except for the emergency management –

**Jaclyn SYMES:** No, no. Point of order –

**The CHAIR:** Excuse me, Treasurer, you cannot raise a point of order. You are before the committee. I will rule on the point of order. The Treasurer is attempting to answer your question, despite the gazette not forming part of the budget papers, which the Treasurer has acknowledged. I acknowledge the Treasurer is doing us the courtesy of answering your question, despite it partly being outside the budget. Treasurer, if you would like to answer Ms Benham’s question, we can move on.

**Jaelyn SYMES:** Ms Benham, there are no cuts to any agency. In fact the Emergency Services and Volunteers Fund is about ensuring that there is more money available for those agencies. What I do hold concerns about are those that are opposed to the change. That is their right. But to try and use an argument that is false to supplement your opposition is, frankly, immoral. There are no cuts to emergency services through the changes.

**Jade BENHAM:** Treasurer, these are your figures.

**Jaelyn SYMES:** I am explaining to you that the figures are not the full expenditure for emergency services. There is more money through the changes, not less. There are no cuts.

**Jade BENHAM:** When will we see updated figures?

**Jaelyn SYMES:** These are forecasts.

**Jade BENHAM:** No, when will we see updated figures that add up to more funding than for the last full year that we already have, which is 2023–24? Because at the moment almost every single service listed is getting less funding under this model except for the emergency management operational communication program. When will we see updated budget figure – forecasts?

**Jaelyn SYMES:** Annual reports of the agencies will show the full breakdown of their expenses. There is no reduction in their base funding, no reduction at all, and anything that you say to the contrary is false. I am sure the Minister for Emergency Services will back that up. What this is is a guaranteed floor, which a lot of agencies in government would love, but it is not the total funding and there are no cuts. The whole purpose of the Emergency Services and Volunteers Fund was to provide more funding.

**Jade BENHAM:** Which has been said multiple times. But again, it does not take – anyone can do the figures that have been provided. But let us move on.

**Jaelyn SYMES:** Well, let us just – go to page 158 of your budget paper.

**Jade BENHAM:** No, no. We are moving on, Treasurer. When we talk about the Emergency Services and Volunteers Fund and the policy basis around increasing the farm rate by 150 per cent to be four times higher than the residential rate, how do you justify that decision?

**Jade BENHAM:** Mrs Benham, you might not have been in the upper house, which took many hours, which I am quite used to and more than happy to answer questions. The rationale for the Emergency Services and Volunteers Fund is to raise additional funding so that Victorians have an emergency services funding model that supports the response required to protect Victorians from more frequent, more severe events. As a former emergency services minister, I have seen a lot of devastation out there. The recovery efforts alone are really expensive, and we want to make sure that we can continue to fund the expectations of Victorians, particularly in regional areas, especially regional Victorians.

But Ms Benham, in particular you have not given a budget paper reference, but I assume that we are coming back to page 158. And can I point to the ‘Emergency Management Capability’ output summary, which demonstrates in 2024–25 the amount of money that was allocated to that portfolio. The reason that that is so high is that we funded the flood response. This is how we fund emergency services. We have a sustainable funding model to support the base funding, and when required, as demonstrated, between 2024–25 and the revised 2024–25, there is a massive injection of millions of dollars to ensure that Victorians could again be supported.

**Jade BENHAM:** How is it justifiable, given that farmers in this state are on their knees, to raise their rate by 150 per cent? Given that we know, with the structure of farms – well I know, I am not sure if others are aware – no farm is on one title alone, so this can be hundreds of thousands of dollars increasing at a rate of 150 per cent. How does the government justify that?

**Jaelyn SYMES:** Ms Benham? Again, you are outside the scope of the –

**Jade BENHAM:** We are completely within the scope. It is a brand new tax.

**Jaelyn SYMES:** Outside the scope in relation to you not having provided a budget paper reference. But I will give you the courtesy of answer –

**Jade BENHAM:** Budget paper 3, page 158.

**Jaelyn SYMES:** I will give you the courtesy of responding. As you indicated before, when you were able to identify the gazettal and the \$73 million, the government is pausing, not having an increase on any primary production land in the entire state. That is a recognition of the harsh conditions that farmers are under. That is an extension of what we announced weeks ago to ensure that those in the south-west were not paying any more either. So that is a recognition that it is tough out there –

**Jade BENHAM:** A recognition that it was an immoral decision in the first place?

**Jaelyn SYMES:** It is a recognition that we have a drought support package which is flowing and available to farmers across the state. There will be no additional cost for them in relation to the Emergency Services and Volunteers Fund. In fact, as you would appreciate because you understand rural communities, many, many farmers are CFA volunteers, and because of the legislative changes they will pay less or none in relation to the previous fire services property levy, because we are exempting volunteers from the Emergency Services and Volunteers Fund. All of that will be very easy –

**Jade BENHAM:** That is if in fact, Treasurer, that volunteer's name is listed on the title of the farm, and in most cases, farms are not listed under the name of an individual. They are held in family trusts, or they are held in company names, so it becomes irrelevant.

**Jaelyn SYMES:** You are obviously not fully briefed on how it works. We have made arrangements so that a range of structures can benefit from the exemption. If you would like, Chair, I can offer Ms Benham a separate briefing outside of your hearing so that she understands where the exemptions apply. There is a lot of misinformation out there about the exemptions being difficult and not applying to family trusts and the like. That is false, and I am happy to give her the information, because obviously for her community that would be particularly important. You have the ability to choose your principal place of residence or your farm if you are a farmer. Two or more parcels of land in a single farming enterprise in which you have a direct or indirect interest can apply for the exemption. So apologies, Ms Benham, but your information is false, and I would love to correct it, because I think your community deserves facts.

**The CHAIR:** Thank you, Treasurer. We will go straight to Mr Galea.

**Michael GALEA:** Thank you, Chair. Thanks for joining us this morning, Treasurer. The state budget is obviously incredibly important, but so too are the household budgets of 2.8 million households in Victoria. I would like to ask about some of the cost-of-living measures in this budget. You have touched on a few in the presentation as well. Specifically in relation to targeted supports, budget paper 3, page 38, outlines some targeted supports under the aspect of community participation. Can you talk to me about some of these measures and who will be benefiting from them?

**Jaelyn SYMES:** Thank you, Mr Galea. As you have indicated, there are a lot of cost-of-living measures in the budget, which is really reflecting the fact that we understand that many people are doing it tough. You have specifically asked about the targeted ones, and they are all about ensuring that we are picking up the most vulnerable and making sure that support is getting directly to them, as opposed to some of the broader cost-of-living measures that will benefit every Victorian. We have provided targeted support in a range of areas, and the ones that go to the heart of really ensuring that we are looking after those at most risk are in relation to food support and mortgage support.

We do recognise that cost-of-living challenges have meant that more and more people are relying on food relief to get through the week. It is why we have provided \$18 million to expand food relief across Victoria, which is a doubling of the efforts that we had previously been funding, because we want to support those organisations that are in their communities working with the families most in need. We have also included \$6 million for Regional Food Security Alliance, and so that picks up the six regional Foodshares in Albury–Wodonga, Bendigo, Geelong, Mildura, Shepparton and Warrnambool. I was at the Shepparton Foodshare about a month ago – which is actually in Mooropna, but it benefits the Goulburn Valley – the new purpose-built facility there, talking to those volunteers and asking about their weekly activities. Amazing volunteers – they find the

work really rewarding. They know that it is important to get fresh produce and staples to people that are making really hard decisions and going without. They also indicated that in recent times they are seeing a new cohort of people come through, including people that are in full-time employment that are just really struggling with increased grocery bills, petrol bills and the like and needing that extra support to ensure that they have nutritious meals for their families. I was particularly proud for us to be able to help contribute to that important work.

There is a really good program that has been supported in the budget as well, the Foodbank grow program, which is about diverting excess farm produce to community relief programs. There are a lot of people that are participating in that program, so being able to make sure that they can grow and expand and reach more people is something that is very, very welcome. We have also provided another half a million to deliver fresh and chilled food to charity partners as well through Foodbank, so a lot of areas of the state will be able to step up their efforts in relation to the families and individuals that are most in need.

The other area that is really targeted is about the financial stress on Victorians as a result of difficulty with mortgages. Obviously, over recent years interest rates have really taken a toll and really hit families hard. There is a really good program that was initiated by Westjustice in relation to supporting people in mortgage stress, and it is aptly named Mortgage Stress Victoria. They provide free services, including legal and financial counselling, to help Victorians stay in their homes. They are receiving \$4 million in this budget. In my previous role as Attorney-General I had the opportunity to meet with the people that deliver that program, but more importantly I met with clients that were benefiting. They said, without a doubt, that without Mortgage Stress's support and guidance they would have lost their home. They did not because of the ability to have someone that knew how to talk to the banks, knew the options available and the like. Amazing people, who were willing to tell their stories, and their families came along. It was pretty compelling for me in relation to the importance of that service to so many Victorians – I met two. The program has already helped prevent almost 200 home repossession cases. Roughly one-third of clients, unfortunately, are also victims of family violence. It is a service, because it is sort of in conjunction with Westjustice, where you can get help with your financial concerns, particularly management of your mortgage, and it loops you into some other services – legal support and social support – for many of your other related or unrelated issues. As I have indicated, a lot of clients also had family violence in their lives. As I said, it started in the west – I do thank Westjustice for that – and it is being rolled out statewide. It is delivering great results. The additional funding I know will make a huge difference.

**Michael GALEA:** Both very worthy initiatives, so it is very good to see them being funded in this budget to support people when they need it the most. Another very popular initiative over previous years as well has been the power saving bonus. I know on pages 28 and 32 of the same budget paper we see funding for an expanded additional round of the PSB. Can you please talk to me about how this will be specifically targeted towards people that need it the most and how it will operate in the fifth round?

**Jaclyn SYMES:** Thank you, Mr Galea. As you have indicated, it is the fifth round of the power saving bonus, which has been incredibly popular. It has provided millions to Victorian households. This round we are providing, similar to my answer to your previous question, targeted support: \$100 to eligible Victorian households with a concession card. They will be able to access the payments from August, which is a good time, because it is in time often for the winter peak in relation to costs. It will also be via the free independent Victorian Energy Compare website. The benefit of that is not just your \$100 to be able to offset some of the costs of your bill, but it gives you the opportunity to find a better energy deal. Last year the average saving from switching energy offers was around \$240. So that means significant savings in addition to the bonus for households. It is a good opportunity to get your \$100, but because you are driven to a website that helps you get a better deal, you get a really good multiplying effect in relation to that initiative.

There is also \$600,000 for the energy assistance program, which is really complementary to the power saving bonus because it is free, dedicated one-on-one assistance to help customers access support in relation to some of those other energy needs. We know and we hear horrible stories about people going without their heater and going to bed early and the like because they are struggling to meet their energy costs. So for those people this initiative will really help.

**Michael GALEA:** Wonderful. Thank you, Treasurer. In terms of schools, obviously in the previous budget we had the very popular school saving bonus: \$400 for every government student. There is funding in this

budget for an increase to the Camps, Sports and Excursions Fund – also very important, I can imagine, for supporting families when they need it the most with those extra costs. Can you talk to me a little bit more about this program and how this expanded funding will support families?

**Jaelyn SYMES:** Yes. This is a really important initiative, something that I have really been proud that our government has had for many years. I was actually at the announcement in 2015 when we first announced it. We went out to Kinglake outdoor recreation, a place where kids go on camp and they have the abseiling and things like that. I was there with the former Premier and the education minister James Merlino and Danielle Green, Ms Kathage's predecessor, close to Ms Kathage's electorate, in Kinglake. At that time we were talking about disadvantaged students that were being left out of being able to participate in school camps. Our figures were that there were about 222,000 disadvantaged students at over 1500 government schools and around 650 non-government school kids that would be eligible for the funding. At that time we announced \$125 a year for primary school kids and \$225 a year for secondary school kids. This budget recognises that was some time ago and increases that amount and levels it out to \$400 a year for eligible primary and secondary school kids.

It is important because you just do not want kids missing out. One of the early visits that I made as a newly elected MP was to a local high school, which has subsequently received lots of funding in terms of infrastructure upgrades. But when I was looking around at their old infrastructure, before the Labor government's investment, we went down a corridor that was quite quiet apart from one room. I was told that the year 8 students were out on camp, but there was a classroom of kids and it was like: who are these kids? They were the kids that had to stay behind. That was pretty heartbreaking. Knowing that that does not happen now due to financial constraints is something that I think we should all be particularly proud about. So that \$400 is a targeted investment going towards avoiding just that.

You asked about school in general. I think the Camps, Sports and Excursions Fund is my favourite one in relation to that targeted support, but it is complementary to a range of cost-saving measures for families, whether it is free dental, free glasses or school breakfasts, for example. It is really making sure that for every child, regardless of their financial constraints, other kids do not notice, because they have got the support that they need from our government. The announcement of extending it and expanding it is worth about \$38.1 million. I think you would agree it is a very worthy investment in the education sector through the CSEF payments. It contributes to the staff resourcing standard as well.

**Michael GALEA:** Thank you, Treasurer. The example you gave is I think a perfect illustration of how important it is to be funding the new schools and the upgrades to infrastructure. Programs like this really make such a big difference to lifting up all students and giving them all the same equality of opportunity, so that is a very, very important story.

**Jaelyn SYMES:** Yes, I think that is right. As I said to you, just seeing firsthand and hearing teachers actually report back that no kid has to miss out – it is pretty awful for a school to have to accommodate the kids that do not get to go and do the fun stuff. The fact that that is no longer something that has to happen is pretty cool.

**Michael GALEA:** It is indeed. Perhaps not quite as heartwarming but still very important, though, are solar hot-water rebates. I am wondering if you could touch on that as well briefly and how the continued funding and continued support for this program will support Victorian families to reduce their energy bills.

**Jaelyn SYMES:** Yes, thank you, Mr Galea. Perhaps not as heartwarming, but it is all about providing warm water to ensure that households are supported to lower their energy bills, and we know that one way of doing that is installing electric appliances. That is why this budget includes \$29.7 million that is all about that endeavour. Specifically, we are offering 27,000 rebates so that more households can lower the cost of energy-efficient heat pumps and also solar hot-water systems. Installing a heat pump hot-water system can save a household, my advice is, around \$330 a year on their electricity bill. Eligibility is limited to households earning less than \$210,000 per year with properties valued at under \$3 million. It is targeted, but it is still broad enough to pick up a lot of households, and we would really encourage many people to make inquiries about this ability to make this investment through the grants.

It does complement the other work that the government has done via the Solar Homes program. In relation to that program, over 400,000 rebates and loans have been approved since 2018, supporting the installation of

more than 310,000 rooftop solar systems in Victorian homes. We do want to get the message out loud and clear that there are a range of initiatives that can support you with your energy costs, whether it is the power saving bonus for those on concessions or, you know, that many, many households are eligible for a range of supports to help them combat their energy costs.

**Michael GALEA:** Thank you. Touching on what you have just referred to in that broader scope of initiatives as well – and you did touch on this earlier too – if I can take you to some of the broader cost-of-living initiatives for all working Victorians, there are a number of initiatives in this budget. I am just wondering if you can give something of a high-level overview of how these measures will support all working Victorians.

**Jaelyn SYMES:** We have gone through some of the targeted ones, but I think probably the headline cost-of-living announcement from the government was obviously free transport for kids and teens under 18 – incredibly popular. We have had a lot of feedback in relation to the difference that this will make to families right across the state, whether it is kids that are using PT every day or kids that want to be able to access PT on weekends. What the initiative does is it effectively will save families up to \$750 a year per child, so if you have got multiple children, that obviously certainly starts to add up. It is statewide. It has no restrictions in relation to usage and time, so it covers school runs, trips to the footy, weekends away et cetera. It is recognising that a lot of families are making difficult decisions in relation to their expenses, and this is one less thing that people will have to worry about.

One of the really positive pieces of feedback from the initiative too is from organisations that deal with vulnerable youth – those that may have been caught up with fare evasion and have outstanding fines and the like. We know that interaction with the fines system can lead to other areas of interaction with the criminal justice system, so this is a really good equity tool – combating inequality is probably a better way of saying it – to make sure that particularly teenagers who need to get to a mate's place or potentially get to TAFE or get to work do not have to worry about the expense of public transport and indeed some of the issues that can compound in relation to that. It is a good initiative, and lots of people have been pretty excited about it.

**Michael GALEA:** Thank you, Treasurer. It has certainly been very well received, as we have heard. Another very significant component is the expansion of the community pharmacy program. Now, we have been rolling it out, and there was legislation, I believe, last year that we put through the upper house as well, enabling some more services to be provided under these trials. The funding under this year's budget I note both expands that program and also makes it free, and I believe that we are the only jurisdiction in Australia where those services actually will be free at community pharmacies. Noting that we have had a lot of support from, amongst others, the pharmacy guild, who are very excited about this policy as well, how will these programs support Victorians to access health services without having to hit their wallets?

**Jaelyn SYMES:** You are obviously a bit of a fan, because you answered half your question in asking it. I was quite surprised to learn that other states charged for this service – I think it is around 20 bucks. This is all about ensuring that you can access your pharmacy for a number of conditions without the trouble or difficulty of getting into a GP, and even if you do there is the cost of many GPs that do not bulk bill. Obviously we know that a lot of people are going to emergency departments for perhaps conditions that are not necessarily best placed for emergency, but when people have got limited options, you can see why they choose that. Supporting this initiative with \$18 million this year is all about building on the pilot, ensuring that more pharmacists can treat more conditions for more Victorians. As you said, it is about ensuring that people have got options to deal with their medical issues. Pharmacists are particularly trusted community members, in my experience, and so this is a welcome initiative. The pilot helped over 44,000 Victorians in the resupply of things like the contraceptive pill, urinary tract infection medication and access to travel health advice and vaccinations. It will be expanded.

You mentioned the pharmacy guild. I have actually had the opportunity to speak to a few people from the guild in relation to their support for this and their advocacy for expanded conditions, so we were very pleased to be able to make the announcement in the budget that not only is it expanded but it will be made permanent. It will include expansion to conditions such as allergy, high blood pressure, minor wound care and a range of other things that I will leave; they are best for health people to talk about. But it is a great initiative that will help people.

**The CHAIR:** Thank you, Treasurer. The committee is going to take a short break before resuming consideration of the Department of Treasury and Finance.

I declare this hearing adjourned.

The committee will now resume its consideration of the Department of Treasury and Finance. We are going straight to Mr Tak. Apologies, we are not going to Mr Tak; we are going straight to the Deputy Chair.

**Nick McGOWAN:** I will not take it personally. Treasurer, Treasurer, Treasurer, we are doing so well, so when will Victoria have a cash surplus? A cash surplus, not an operating surplus – when will Victoria have a cash surplus? We all know what that means.

**Chris BARRETT:** Are you talking about net cash?

**Nick McGOWAN:** Yes.

**Chris BARRETT:** We have an operating cash surplus at the moment, and we will have a net cash surplus when operating cash and the capital program are about the same size.

**Nick McGOWAN:** There is no cash surplus, correct? We both know that.

**Chris BARRETT:** No, an operating cash surplus we have now and we have had since 2022–23.

**Nick McGOWAN:** An operating cash surplus. Secretary, you know what I am talking about. Let us not play games. We know what we are talking about. My point is, Treasurer, you can look at the end of financial year statements. The 2025–26 statement on financials reveals cash deficits – and I will repeat that, cash deficits – totalling \$32.5 billion over the four years to and including 2028–29.

**Jaelyn SYMES:** Excuse me, Mr McGowan. Are you reading from the budget papers?

**Nick McGOWAN:** From the budget papers.

**Jaelyn SYMES:** Can you tell us where?

**Nick McGOWAN:** Yes, totally. Your own presentation says the same thing, Treasurer. So you have –

**The CHAIR:** Excuse me, Deputy Chair –

**Nick McGOWAN:** I will finish my question first.

**The CHAIR:** Deputy Chair, can you just reference the budget paper?

**Jaelyn SYMES:** We are trying to follow along.

**Nick McGOWAN:** A \$9.96 billion hole this financial year. You can pick any paper you like, including the Treasurer's presentation.

**The CHAIR:** Deputy Chair, I am going to ask you to reference the budget paper.

**Nick McGOWAN:** You can reference any budget paper you like – 'Focused on What Matters Most', budget paper 3, or any one you want. I am simply asking the Treasurer about when she expects there to be a cash surplus – not an operating surplus, a cash surplus. The truth is there is nothing in the budget that contains that, correct?

**Jaelyn SYMES:** Can I refer you to the aggregates, Mr McGowan, which demonstrate that we are on track for a surplus of \$600 million.

**Nick McGOWAN:** Operating surplus.

**Jaelyn SYMES:** And we are forecasting an average of \$1.9 billion over the forwards.

**Nick McGOWAN:** But, Treasurer, you and I both know that the operating surplus does not take into account the interest paid on the debt. Is that correct, Treasurer?

**Jaelyn SYMES:** Mr McGowan, I will refer you to the aggregates, which are how we report our surplus.

**Nick McGOWAN:** So-called surplus. Treasurer, it is not a surplus.

**Jaelyn SYMES:** This is custom and practice and accepted in relation to –

**Nick McGOWAN:** Under this government it has become custom and practice.

**Jaelyn SYMES:** It is accepted practice in how we present the financial position of the state, which has been verified by the Auditor-General. So I refer you to the fiscal aggregates.

**Nick McGOWAN:** It is trickery on the Victorian people, isn't it, because both you and I know that notwithstanding you are claiming an operating surplus –

**Jaelyn SYMES:** We cannot hear you very well.

**The CHAIR:** Apologies, Deputy Chair. A couple of people have said to me they cannot hear you. Thank you.

**Nick McGOWAN:** Is that better? That is much better. Let me change tack now that everyone can hear me. Budget paper 3 outlines over \$2 billion in savings from 2027–28 and 2028–29. How are these numbers forecast and on what basis?

**Jaelyn SYMES:** Thank you, Mr McGowan. We have indicated some savings that underpin some of the budget, and obviously I am very proud that we are returning to surplus – the first time since the pandemic.

**Nick McGOWAN:** It is not a surplus, Treasurer. You know that.

**Jaelyn SYMES:** I am very proud of that surplus.

**Nick McGOWAN:** It is not a surplus. It is an operating surplus, not a cash surplus. You know that, Treasurer, and so do I.

**Jaelyn SYMES:** It is a result of responsible financial management. Part of responsible financial management since my time as Treasurer has been that I am focused on ensuring that saving opportunities are realised.

**Nick McGOWAN:** The last Treasurer did not do that, did he, Treasurer?

**Jaelyn SYMES:** In this budget we have made responsible decisions, we have carefully targeted savings and efficiency measures that include corporate savings from non-frontline functions across government, including increasing automation of activities and services. Making better use of technology to track and report on procurement spending is one of the saving measures –

**Nick McGOWAN:** How many fewer public servants are we going to have, Treasurer?

**Jaelyn SYMES:** and further consolidating accommodation, including at the Treasury precinct.

**Nick McGOWAN:** I am happy for you to table the document you are reading, Treasurer.

**Jaelyn SYMES:** We are also consolidating similar functions across the VPS and scaling back activities where their original aims have been achieved.

**Nick McGOWAN:** The Silver review – I heard you before.

**Jaelyn SYMES:** There are no cuts to frontline services.

**Nick McGOWAN:** This is a magic pudding.

**Jaelyn SYMES:** We do not do that as a government. The saving measures that we have also indicated that are underway and we will be able to report on in due course are about measures reducing duplication and changing service delivery models to achieve outcomes more efficiently, designing or ceasing programs that have finished or are no longer meeting their intended outcomes and reducing expenditure growth over time. As I said, we will have more to say in relation to those. Mr McGowan, you did mention in relation to reduction of VPS – I have been very up-front that there will be a reduction of numbers of the VPS. The public sector has been quite conscious of these measures that the government are undertaking, and therefore there are a range of positions that have not been filled after people leave and the like, so the impact on individuals versus the reduction in FTE is something that we are working to mitigate as best as possible. But yes, there will be a reduction of positions in the VPS.

**Nick McGOWAN:** How many positions?

**Jaelyn SYMES:** At the moment the budget as delivered the other week contains around 1200 jobs less. Those are from a range of programs that have ended and some consolidations. We are working through some of those processes with the appropriate IR and HR considerations, because obviously that does involve some individuals. In relation to further reductions, we will have more to say about that when the Silver review is handed down and the government has responded.

**Nick McGOWAN:** When will the Silver review be handed down?

**Jaelyn SYMES:** It is due to me towards the end of the month, and I have made a public commitment to making that publicly available alongside the government response. I am fully aware that there will be interest in that report. It is not my intention to have unnecessary delay in making that public, but I have made it very clear that the report will not be released until the government response can go out with it, as would be appropriate given it will have, I am anticipating, some significant changes to the way the VPS operates. So I want to make sure that the government is in a position to give certainty to people that may be impacted, rather than waiting for a government response and making that report public.

**Nick McGOWAN:** And what departments will the 1200 VPS positions come from?

**Jaelyn SYMES:** Across the board and across entities. Victoria has more than 500 entities and 3400 public boards.

**Nick McGOWAN:** It has got quite out of control, hasn't it, Treasurer?

**Jaelyn SYMES:** I think that is too large, and that is why I have asked Helen to have a look at those. As I indicated in –

**Nick McGOWAN:** Helen, who was a part of the architect of these departments and boards et cetera. That is the same Helen we are talking about, right?

**Jaelyn SYMES:** I am sorry, I should refer to her as Ms Silver. Ms Silver has extensive experience in the public sector over many years and is well regarded across government.

**Nick McGOWAN:** She would have created very many of these entities and boards. Just the irony of having someone who has helped create this mess now, supposedly, help you clean it up – it is sort of ironic. I mean, I have got a sense of humour, but I find that ironic.

**Jaelyn SYMES:** I am very confident in Ms Silver's credentials. It has been a welcomed appointment from a range of parties. You are the first person actually to have criticised –

**Nick McGOWAN:** Really? Maybe no-one has a sense of humour.

**Jaelyn SYMES:** the appointment or indicated she is not the right person for the job.

**Nick McGOWAN:** I find it novel. She is one of the architects of the existing regime.

**Jaelyn SYMES:** You are the first person from the Liberal Party to raise that in fact.

**Nick McGOWAN:** Well, I am glad I have raised it today.

**Jaclyn SYMES:** Lots of your colleagues have actually said to me, ‘That was a very good appointment.’

**Nick McGOWAN:** Well, that is fascinating to me. Given the last Treasurer also made similar pledges in regard to \$2.1 billion in savings, how can the public have any confidence in your protestations today that you will do likewise in this budget?

**Jaclyn SYMES:** Mr McGowan, it is a correct observation that the government has embarked on processes of consolidation before.

**Nick McGOWAN:** And failed.

**Jaclyn SYMES:** What we have asked in the past is for individual departments to make suggestions in that regard, and it has resulted in some changes. As I think I indicated in my presentation, the advantage of bringing in an independent person who is not actually responsible for the running of a department is that they are well placed to have conversations with departments who are distracted on doing the busy work of government and providing services for Victorians. So having an independent process I think will be an opportunity to make some of the harder decisions.

**Nick McGOWAN:** Isn’t that what the public service is for – independent advice?

**Jaclyn SYMES:** As I said, the independent review is working with departments.

**Nick McGOWAN:** The independent review of the independent bureaucrats to give you further advice.

**Jaclyn SYMES:** Independent, not government-appointed, Mr McGowan.

**Nick McGOWAN:** So people who are appointed by the government are not independent? Now we are talking; now we are getting somewhere.

**Jaclyn SYMES:** I agree with you that it should be business as usual for departments to continually look at their expenditure and the services that they provide. I think we need to really sharpen that focus. That does not take away the responsibility from departments to do that in their everyday work. But we are embarking on a large piece of work; that is why we have got an independent team on board to do this.

**Nick McGOWAN:** Just while you are looking at that document there, Treasurer, perhaps I can be generous to you and suggest in budget paper 3, on page 186, you can start with sharpening your own pencil, because there is a line item for ‘economic and policy advice’. The 2024–25 budget was \$60.3 million; the revised, you will be pleased to know, was \$75.2 million – oops. Then of course the 2025–26 budget, that is \$81.4 million. That is \$20 million-plus for economic and policy advice. Are the pencils sharp over there at Treasury? They seem a little blunt, Mr Barrett.

**Chris BARRETT:** I think, Mr McGowan – and Mr Hotham might be able to add to add to this –

**Nick McGOWAN:** I hope so. It is \$20 million worth. It is more than the drought resistance package at \$12 million.

**Chris BARRETT:** There are some changes I think in what is counted in this. It is certainly not just an increase in the amount. I do not know – Paul, can you just respond to that?

**Paul DONEGAN:** Thanks, Secretary. A lot of the increase in 2025–26 relates to implementation of the government’s *Economic Growth Statement*, and part of that funding that sits within the Department of Treasury and Finance is money that is ultimately granted out either to local councils or to other parts of government to improve regulatory processes.

**Nick McGOWAN:** Sorry, so this extra \$20 million is gifts to local councils? They will be very happy to hear this. Is that right?

**Paul DONEGAN:** It was announced in the *Economic Growth Statement*.

**Nick McGOWAN:** As what? What was it announced as?

**Chris BARRETT:** This is money in relation to regulatory reform, Mr McGowan. There are a number of regulatory reform proposals in the *Economic Growth Statement* which was released in December of last year. There is a commitment to halving the number of business regulators by 2030 and also to reducing the regulatory burden on business by \$500 million by 2030. Some of that is partnering with local councils. Where they have got a good idea that they think would reduce the regulatory burden on business, then we would provide some funding towards that.

**Nick McGOWAN:** Well, why wouldn't that sit with the Minister for Local Government? Why on earth would that be with Treasury?

**Chris BARRETT:** Actually because it is regulatory reform, so –

**Nick McGOWAN:** So, dot dot dot, question mark, 'Helen Silver please investigate'? Yet again – \$20 million.

Let me move on, because I am not going to get far there. Yet again, Treasurer, your budget, like your predecessor's, has actually forecast unemployment to increase. How many people will be unemployed in Victoria?

**Jaelyn SYMES:** Thank you for the question. As I indicated, I went through a little bit of the employment stats in my presentation, because there are a lot of Victorians that are finding work. More than 132,000 Victorians found work over the year to date for December 2024.

**Nick McGOWAN:** And it is not going to get any better under your government, despite all the money you are spending.

**Jaelyn SYMES:** We have the largest increases in the country for that period. Both workforce participation and the share of working-age Victorians in jobs are near record highs in the state of Victoria.

**Nick McGOWAN:** Now blaming that, are we, Treasurer?

**Jaelyn SYMES:** As we continue to grow and the labour market is healthy, this is going to continue to impact the growth. Employment growth was 2.3 per cent over the year to March. Meanwhile the share of working-age Victorians' employment and participation are both historically high. So when you are looking at comparisons of unemployment rates or employment rates across the jurisdictions, a reasonable comparison needs to take into account participation rates, and Victoria's workforce –

**Nick McGOWAN:** I am not comparing, Treasurer. I am just comparing Victoria to Victoria, and you are saying it is going to get worse. So – simple question – at the outer stretch of your estimates, the forward estimates, what is the projected number of people in Victoria that will be unemployed?

**Jaelyn SYMES:** In relation to our forecasting, the unemployment rate has fallen and remains historically low in comparison. Our participation rate is 68 per cent.

**Nick McGOWAN:** Interesting figures, Minister. I am after one figure: how many Victorians will be unemployed at the latter end of your forward estimates? You must have that figure there, surely?

**Jaelyn SYMES:** I was just giving you the context for when you look at unemployment rates. The unemployment rate is expected to rise moderately to 4.7 per cent in 2025–26.

**Nick McGOWAN:** Yes, I said that.

**Jaelyn SYMES:** That is not because of worsening economic conditions, but because more Victorians are participating in employment in Victoria.

**Nick McGOWAN:** Good news story. Yes, Minister, I understand.

**Jaelyn SYMES:** So that is where I was bringing you on a journey in relation to that.

**Nick McGOWAN:** Just need the figure, Minister. How many Victorians will not have a job?

**Jaelyn SYMES:** I just explained to you that –

**Nick McGOWAN:** Not a statistic, not a percentage. How many Victorians will be unemployed? It is your budget. You are handing it down, not me.

**The CHAIR:** Excuse me, Deputy Chair. You are bordering on being downright rude.

**Nick McGOWAN:** I do not feel I am.

**The CHAIR:** Please allow the Treasurer to answer your question. She is trying to answer your question, and you keep murmuring and making commentary on top of her. Thank you. Treasurer.

**Jaelyn SYMES:** Mr McGowan, when we talk about unemployment rates here and in other jurisdictions, what we refer to is a rate. The rate is reported on every month, right?

**Nick McGOWAN:** I am referring to human beings, Minister. How many Victorians will be unemployed?

**Jaelyn SYMES:** As I said to you, the unemployment rate is expected to rise to 4.75 per cent this –

**Nick McGOWAN:** I know; I can read the same figure in the budget paper, minister, I am just asking –

**The CHAIR:** Excuse me, Deputy Chair, I will reiterate: you are bordering on being downright rude. You have asked a question. The Treasurer is answering your question.

**Nick McGOWAN:** Tell that to the Victorians on the unemployment scrapheap.

**The CHAIR:** You may not like the response –

**Nick McGOWAN:** You may not like the question.

**The DEPUTY CHAIR:** but it does not excuse your rudeness. Treasurer.

**Jaelyn SYMES:** In terms of the indicators that are relevant for employment forecasts and how they are ordered –

**Nick McGOWAN:** I am just asking what is relevant for Victorians – people who will be unemployed.

**Jaelyn SYMES:** in Victoria what is relevant is that the participation rate is 68 per cent. The current unemployment rate is 4.2 per cent.

**Nick McGOWAN:** I think it is telling, Treasurer, that you cannot tell me how many Victorians will be unemployed.

**Jaelyn SYMES:** The youth unemployment rate is higher.

**Nick McGOWAN:** From all the bureaucracy and advice you receive –

**Jaelyn SYMES:** The regional unemployment rate is lower.

**Nick McGOWAN:** I am asking for one figure, Treasurer, just one figure.

**The CHAIR:** Excuse me, Deputy Chair, a point of order has been raised.

**Nick McGOWAN:** Someone should have that at their fingertips, Treasurer. How can you not know how many will be unemployed as a consequence of your budget?

**The CHAIR:** Mr McGowan! Mr Galea.

**Michael GALEA:** On a point of order, Chair, I am sitting directly opposite the Treasurer, and I cannot hear her for the constant mutterings from Mr McGowan.

**The CHAIR:** Mr McGowan, I will say again: could you please control yourself and treat the Treasurer and witnesses that are appearing before us today with the respect and courtesy they deserve and they also give towards you. Treasurer.

**Jaelyn SYMES:** Mr McGowan, you are asking the Treasurer to talk to you about unemployment.

**Nick McGOWAN:** Not talk; answer the question.

**Jaelyn SYMES:** The way it is articulated, the way it is forecast –

**Nick McGOWAN:** We do not know.

**Jaelyn SYMES:** is in relation to the indicators that I have provided to you. In relation to individual impacts, as I said, the regional unemployment rate is lower than the state unemployment rate, and the youth unemployment rate is unfortunately higher.

**Nick McGOWAN:** Very high. So what is your plan to fix that, Treasurer?

**Jaelyn SYMES:** These are low historically. I have just gone through the fact that more than 132,000 Victorians –

**Nick McGOWAN:** Unemployment will increase under your budget.

**Jaelyn SYMES:** More people in Victoria are looking for work.

**Nick McGOWAN:** It is not my budget.

**Jaelyn SYMES:** More people in Victoria are getting jobs than any other jurisdiction.

**Nick McGOWAN:** Oh, I see: it is their fault.

**Jaelyn SYMES:** You are being very patronising.

*Members interjecting.*

**The CHAIR:** Excuse me, Deputy Chair. Deputy Chair, do you have a question that you would like to ask the Treasurer?

**Nick McGOWAN:** Yes. I would like to know what the status of the COVID debt repayment plan is. How much debt has the COVID debt repayment plan actually resulted in?

**Jaelyn SYMES:** As I was going through a little bit earlier in relation to the COVID debt recovery plan, it is a 10-year plan that has been in operation for just over three years. In relation to the specific figures – do we have those at hand?

**Nick McGOWAN:** Perhaps while you are looking for that I would also ask you about the taxi charge that still seems to be on everybody's taxi bill, but that was for some reforms that happened some time ago. Correct – part of general revenue?

**Jaelyn SYMES:** Mr McGowan, just answering the question that you asked me in relation to the COVID debt repayment plan, as I said, it was a plan for over 10 years and it is based on the forecasts that were in the 2023–24 budget, and it is intended to pay down at \$31.5 billion. It is all about raising funds, including covering the interest, so that is the purpose of the fund and also what we are hoping to raise. You will see our estimates for all of our revenue and taxation on page 162 of budget paper 5, and you will clearly see item 2 in order of the table looks at the COVID debt levy in relation to payroll. It has got the figures there, which you can clearly see. If you come down about five, you will see the COVID debt levy in relation to landholdings, and all of the figures that you just asked me are clearly printed in that table.

**Nick McGOWAN:** In the state budget 'Statement of Finances', budget paper 5, page 7 talks about and looks at the land tax. Now, we all know there is a land tax crisis in the state, because revenue that you receive –

that is, the Treasurer and the government – has gone through the roof. How many times, Treasurer, have you provided ex gratia powers to provide relief to this unfair land tax burden?

**Jaelyn SYMES:** I do not think I would be in a position to provide –

**The CHAIR:** Apologies, Treasurer, you are out of time. We are going straight to Mr Tak.

**Meng Heang TAK:** Thank you, Chair, Treasurer and officials. I refer to budget paper 3, page 49 and page 139, where the government has committed over \$31 billion of initiatives for health care. This includes investment so that Victorians can access health care closer to home, such as in an urgent care clinic, and can have access to world-class care in an emergency department. Treasurer, could you please outline the spending in this year's budget to support our healthcare services to ensure that health care remains accessible to all Victorians?

**Jaelyn SYMES:** Thank you, Mr Tak, and thank you for your interest in health and the health of Victorians and those that live in your community. Obviously the health expenditure in the budget is the biggest spending item. As you would appreciate, it is a priority of this government to ensure that people, regardless of where they live in our state, can get access to high-quality health services, and that is, importantly, reflected in the \$31 billion in this budget in particular, which obviously builds on existing funding. It is something that we have consistently demonstrated is important to us. We have invested in world-class health systems because we want to back our doctors, nurses, midwives, paramedics and all of the frontline health services that we have come to rely on so that we can get the care that we need when we need it and where we need it. It is the biggest investment in frontline care. It includes a record \$9.3 billion for hospitals. That is to ensure that the hospitals can plan the provision of their services, keep up with some of their demand pressures and ensure that their services are at a standard that is world class.

There is also – and I went to a little bit of this in my presentation – the opening of nine new or expanded hospitals. There is a provision of \$634 million in this year's budget. It includes bringing online the new Footscray Hospital, the new Frankston Hospital and the Maryborough and district hospital, which are really important investments for those communities. It also delivers the biggest ever health infrastructure investment in Melbourne's south-east. As I said, you have got the Frankston Hospital in particular down there that will benefit from a massive injection of funding. The Maryborough and district hospital I have not had the opportunity to visit yet, but I hear from those that have of the excitement from that community in relation to that investment; it is certainly something that they are proud of. There is also the opportunity for more women to access pregnancy support in Ballarat and Bendigo, with some maternity provisions in relation to those hospitals.

The urgent care clinics and community pharmacy program that we touched on before are also being funded in this budget. Again, you have got the big investments in the infrastructure and new hospitals, but making sure that those health provisions are supported is something that is also really important so that you are getting to as many people as possible. Obviously emergency departments, we know, are constantly under pressure, and there are a range of investments to help people avoid emergency departments. But when people do need to go, you want to make sure that they are supported as well. One of the initiatives around those is the virtual ED, which many Victorians have had experience with. I fortunately have not had to call virtual ED – I think you have, Ms Kathage; I think I saw on your social media that you had. There are reports of the comfort that people are getting from that amazing service, and it is something that has been, again, supported with funding in this budget. There is also \$200 million in further health infrastructure for the aged care and mental health portfolios in addition to some of those hospital expenses. That also expands to 67 projects across the state. The new Melton hospital, Ballarat Base Hospital, Barwon women's and children's hospital and Casey Hospital emergency departments are benefiting from some of that funding. That was a bit of a tour of the state, effectively, of where a lot of that investment is going so that people can get the care they need, regardless of where they live.

**Meng Heang TAK:** Thank you, Treasurer. Also, with the mental health investment referred to in budget paper 3 on page 50, we can see that a number of initiatives in the budget benefit the mental health sector. Could you please take us through how these initiatives support Victoria's mental health system?

**Jaelyn SYMES:** Yes. Thanks, Mr Tak. You know that the government has a real focus on supporting the mental health needs of Victorians and supporting the workforce that provides those services. Since 2018 our government has invested more than \$6 billion in relation to better support in the mental health space. Funding in this year's budget will give our mental health services the resources they need so that they can expand and care for more and more Victorians. There is a focus on prevention and early intervention, especially for young Victorians and those that live in rural and regional parts of the state. The budget provides more than \$300 million to ensure ongoing access to vital mental health beds, whether it is in the home, in an emergency department or at a hospital, because there are a variety of touchpoints where people access mental health services.

There is \$34.5 million to expand and continue our network of mental health and wellbeing locals. These are really important. They provide free mental health care to Victorians without the need for a referral or a Medicare card. I recently dropped into the one in Shepparton. I did not tell them I was coming, actually. I just happened to have a bit of spare time – 'Hello. I'm just a local member.' They were great. They were really keen to tell me the services they provide, how they interact with people in need – amazing people that go out of their way to really support people that can be facing some pretty dire situations or times of crisis. I would encourage any member to drop in and visit their mental health locals, because I think they are an important asset and tool, particularly for electorate officers, to be able to direct people to the services.

**Nick McGOWAN:** I am waiting for one in Ringwood, Minister.

**Jaelyn SYMES:** On that interjection, the investment also is about establishing seven new locations and adding 15 locals, which have already helped more than 20,000 Victorians across the state. I will not steal the location announcement from the relevant minister, because I think I would be stepping out of my lane. I think she will be delighted to share the new locations, Mr McGowan, and I will –

**Nick McGowan** interjected.

**Jaelyn SYMES:** Mr McGowan, you can ask this question directly of the relevant minister, and I am sure the answer will be excellent. We know that delivering the critical services in this really specified area involves a highly skilled and capable workforce, and it is why we have got \$47.1 million to deliver the psychology registrar program, continuing our junior medical officer psychiatry rotations and strengthening the psychiatry registrar and support program. Mr Tak, mental health investment – whether it is the services that people rely on or supporting the people that provide the services, both of those are features of this year's budget. Thank you for your question.

**Meng Heang TAK:** Thank you, Treasurer. Still on budget paper 3 on page 50, how do the budget support initiatives provide mental health support outside of a clinical hospital centre, and how does the budget also support our vulnerable trans and gender-diverse young people in the community?

**Jaelyn SYMES:** Thank you for your question again, Mr Tak. You would appreciate that individuals accessing mental health support often need tailored support to be informed of their particular circumstances to get the best outcomes, and we do know that early intervention and community services outside of a hospital are key when it comes to supporting particularly vulnerable Victorians. As I said, with the mental health locals, you do not need a referral; you can just walk in. But again, that is sometimes a bit difficult for people. They need to know that it is going to be inclusive and safe, and so having some dedicated programs that really go to ensuring – I think you picked up on LGBTIQ+ community and Aboriginal communities. Having particular people that are experienced, often with lived experience, that can help people with those characteristics is something that we have recognised and, based on feedback, supported. We are continuing programs like the Koori mental health liaison officers and the Rainbow Door social inclusion action group. There are also particular programs for perinatal emotional health – obviously a very important targeted program. There is also Responder Assist in relation to picking up people that have those particular issues or those particular backgrounds so that they can be tailored. They are all about providing specialist support to cohorts that we know feature regularly in mental ill health experiences, and therefore they also are well placed on prevention initiatives, not just response.

Aboriginal Victorians – we definitely know that listening to Aboriginal Victorians is how you get the best outcome for that community. It is why we have been working with the Dandenong and Districts Aborigines Co-operative Limited – I am reading that; I call them DDACL, which I think is probably what most people

would be familiar with – but also VACCHOs to ensure that they can continue to deliver culturally safe care to their community. Funding of \$13 million will go to DDACL to fund an upgraded modern facility to deliver clinical, social and wellbeing services to Aboriginal and Torres Strait Islanders in Melbourne’s south-east. Additionally, there is \$15.8 million to enable 10 Aboriginal community controlled organisations to support mums with culturally safe care before and after birth, so really getting into those bespoke services.

We do know that many Victorians that do not get support suffer significant mental health challenges, including suicide, so the budget is supporting those services as well. It invests in suicide prevention, making sure that the most vulnerable Victorians get the support they need, and I think the Minister for Mental Health would be well placed to provide you with some greater details of those.

Again, coming back to where I think you ended your question on support for LGBTIQ+, there is \$7.5 million to continue funding the hospital outreach post-suicidal engagement program, the LGBTIQ+ Aftercare support, Strong Brother Strong Sister and Yarning SafeNStrong for Aboriginal Victorians, a range of programs which will, as I said, deliver some of that targeted support for those cohorts.

**Meng Heang TAK:** Thank you, Treasurer. These are all very good initiatives. I am looking forward to welcoming you to my electorate in the south-east to see what initiatives are of benefit to communities like my community in Clarinda.

**Jaclyn SYMES:** There are lots in your patch, actually.

**Meng Heang TAK:** Treasurer, I am also interested in the economic forecast. The Victorian economy has been resilient and is projected to grow. In terms of business investment in particular, it is at a record high. Treasurer, I refer you to budget paper 2, page 17, titled ‘Economic context’. Can you please explain to the committee what Victorian economic growth is driven by and what risk there might be over the next four years?

**Jaclyn SYMES:** Thanks, Mr Tak, for really picking up on some of the features of my presentation about the fact that Victoria’s economy is strong and continues to grow. We have led the states in real economic growth. It is something that is not often reported, so the fact that we can continue to talk about it and in fact I can continue to talk about it in any context is most welcome. So thank you for your question.

We do lead the states in real economic growth, adding around \$138 billion to our economy. It is not just a number, because it means real-life improvements to the lives of Victorians. That is \$138 billion which equates to more jobs, more goods, more services and more infrastructure and basically makes us the best place in the country to live and to do business. It means that Victorians are better off, and it means that more people are interested in living here and investing here. It has allowed us, as you indicated in your question, to be resilient to global cost-of-living pressures and elevated interest rates in recent times. Like every other state, we have been buffeted by a period of historic high inflation. Like with other reserve banks across the developed world, interest rates rose, and that had quite an impact on the ability of Victorians to contribute to the economy. We see that starting to ease off, and many would say that we have managed to thread the economic needle in that regard.

Victoria’s economic growth is expected to gather pace this year, which is a strong sign. The forecasts are that real GSP growth will be 2.5 per cent, up from what was an estimated 2 per cent in 2024–25. Our forecasts show that every major component of GSP is set to rise. Economic growth has a few components – household consumption, business investment and international trade. In relation to household consumption, and I just touched on this a bit in my presentation, so it is a good opportunity to expand, the forecasts are obviously for lower interest rates, and we are hoping that that eventuates – we have seen some good signs in the last little while. Abating inflation, federal tax cuts and the government’s cost-of-living support all contribute to the ability for household consumption to grow. Household consumption will be the main contributor to economic growth, contributing 60 per cent to our overall economic growth in the next year. We are also expecting wage growth to rise, and it will be higher than inflation for the first time since the pandemic, which effectively means that workers are finally getting ahead after the prolonged period of global inflation, which really ate into people’s disposable income.

The growth is expected to ramp up, as many workers have set EBA periods that will expire over the next few months and years, and there is health in the labour market. The share of working-age Victorians and employment participation rates remain historically high, and the workforce participation of women in particular

is at a record high. All of these are indicators of our economic strengths, and in employment, despite what Mr McGowan was trying to convey, it has resulted in thousands of Victorians finding a job since the peak of the pandemic – more so than any other state at all.

You asked about business investment. Obviously another component of our economic growth story is business investment, and in Victoria our story happens to be the best in Australia. Since the pandemic, business investment has grown by 30 per cent, outpacing every other state. In fact since June 2020, 113,000 new businesses have opened, and that is a good indication of our economic settings. Every sector has reached new levels of business investment. There is a trend that this is where you do business in Australia. It includes a sustained increase in intellectual property investment, which reflects firms investing in high-tech research and computer software. The trend has accelerated, again, since the pandemic. We have got data centres, distribution hubs, cloud software and AI investment. They are all increasing and will be some of the topics of conversation that I have when I am in New York later this week. There are sectors also where we continue to lead the nation, sectors of the future – more than 3500 startups, an ecosystem that has grown 23 times larger since 2016. It is actually worth \$129.3 billion, and as many as 18 of those new startups are what the industry call ‘unicorns’ – that is, startups that are valued at more than \$1 billion. So some really exciting business investment ideas and really exciting things are happening here in the state of Victoria.

We know, obviously, that the world is pretty volatile with different changes, particularly coming out of the US. But Victoria does stand out as progressive. We have a cutting-edge economy and we are really stable in relation to economic, social and political factors. Some might call us boring; I am quite pleased that we are in that position, because it provides a really solid backbone for investment and business. All the signs are good, but that does not mean that there is not more to do. You do not just rely on those settings. That is why we have got the economic growth statement that has been fully funded in this year’s budget. That is \$240 million which is all about implementing the initiatives that were contained in that. I think that the Secretary went to a little bit of that earlier in one of his answers, but it is about reducing regulatory burden on businesses, which is estimated to reduce the impost by about \$500 million. So Victorian businesses are –

**The CHAIR:** Thank you, Treasurer. Mr Puglielli.

**Aiv PUGLIELLI:** Thank you. Good morning.

**Jaelyn SYMES:** Hello. You have been very patient over there.

**Aiv PUGLIELLI:** Yes, I try to be. I might begin by saying I do have some questions for the representative from the VFMC, if we could make sure that they are at the table for when that comes. Thank you.

Treasurer, starting with budget paper 5, page 161, we see state taxes come to around \$42 billion this year from a variety of sources. Now, you have spoken about this in the past; we understand Victoria does not have the same resource base that other states have so we rely on levies and taxes on things like property and on business. I am going to ask you about one of these. You suggested yesterday in the *Guardian* that you might be open to reforming stamp duty. We know that stamp duty presents a significant barrier to people buying and moving and discourages downsizing. I would like your assessment: what are the barriers in terms of Victoria moving away from stamp duty towards a broad-based land tax?

**Jaelyn SYMES:** Thank you, Mr Puglielli. In relation to comments that I have made in a range of settings as Treasurer, I always remain open to reforms in relation to tax. That is not to suggest wholesale changes, but in terms of getting feedback from people of course, absolutely. In relation to your question about increasing housing and getting more people into houses, there are a range of levers that the government has, and the biggest one is supply. I am sure that you will be able to go into great depth with the planning minister and the housing minister in relation to some of those. And thank you for pointing out the disadvantage that we face in Victoria with our ability to raise revenue – when you look at states like WA and Queensland that have got royalty revenues that basically prop up the state, we just do not have the same luxury, effectively. So, yes, we have to look at a range of other measures to ensure that we can provide the services that Victorians rely on, and property taxes make up some of that, along with payroll tax.

You asked about stamp duty. In relation to the tax line items that make up the majority of our income, they are payroll tax, stamp duty and land tax. And you asked about whether you could move away from stamp duty to more of a land tax, which is what we have done in the commercial and industrial space. I know that there is

some argument for consideration in the residential space. Implementation of such a policy would be very financially costly at the start, which means that it would be not possible at this point in time to make a decision such as that.

**Aiv PUGLIELLI:** Thank you. I might move now to our representative from the VFMC. Can I ask: what fossil fuels does the VFMC invest in?

**Kate GALVIN:** Thank you so much for your question. VFMC is an institutional investor managing a global portfolio of assets for the benefit of all Victorians. We have got roughly a 1 to 2 per cent exposure to the energy sector, including companies engaged in exploration and production, refining and marketing and storage and transportation of oil and gas and coal and consumable fuels. It also includes companies that offer oil and gas equipment and services. As at the end of March 2025, we had \$93 billion of funds under management for 32 state agencies and approximately \$1.7 billion of these investments are in the energy tech sector. It would take a lot of time to detail them extensively. But we are committed to managing the energy-investment-related risks of climate change, and we aim to achieve net zero portfolio greenhouse gas emissions by 2050. This aligns with the Victorian government's commitment under the *Climate Change Act 2017*. We use our capital position as an asset owner to encourage high carbon intensive businesses to establish transition pathways to a lower carbon economy and expedite carbon abatement initiatives. We invest in climate-positive investments to help drive the economy's transition towards net zero emissions through the development of critical renewable infrastructure and low carbon technologies and processes. While we seek primarily to manage climate risks through active ownership and our investment stewardship approach, in certain circumstances, after comprehensive assessment of economic, legal and fiduciary requirements and the risk and return issues associated with the investment, sometimes we do apply an exclusion. In this regard we have exited investments in companies primarily involved in thermal coal mining and power generation companies whereby thermal coal constitutes greater than 10 per cent of the aggregate revenue where there is no credible transition plan.

**Aiv PUGLIELLI:** Thank you. My colleague who was on this committee previously, Ms Sandell, previously asked you similar lines of questioning, and in response you answered in reference to the energy transition then that:

Some investment in fossil fuels to help fund these pathways, we think, is a wise investment.

Do you still view investing in fossil fuels as a wise investment?

**Kate GALVIN:** It is important to fund transition pathways, and some fossil fuels will be required to get us to a net zero position.

**Aiv PUGLIELLI:** Do you have a plan to divest entirely?

**Kate GALVIN:** Not at this point.

**Aiv PUGLIELLI:** Is there a rationale as to why?

**Kate GALVIN:** We have a net zero target of 2050, so over the course of that pathway there will be transition primarily out of fossil fuels.

**Aiv PUGLIELLI:** Let us go to that, because I understand that target extends beyond the government's target of net zero emissions by 2045. Why is that the case? Are there plans to update that date to align exactly?

**Kate GALVIN:** Thank you for your question. The Victorian government actually brought forward their commitment to achieve net zero from 2050 to 2045. When VFMC committed to our net zero target by 2050 in 2021, at that time it was consistent with the Victorian government's commitment. As a global investor we have the same commitment as most global investors do. We believe that the impacts and effects of climate change are systemic and they pose widespread risks, and we support the aims of both COP26 and the 2015 Paris agreement to limit global warming to well below 2 degrees. We made significant commitments around net zero portfolio greenhouse gas emissions by 2050. We have not revised those targets at this point in time.

**Aiv PUGLIELLI:** Thank you. Maybe I will go back to the Treasurer. Treasurer, there are a lot of trusts in this budget – budget paper 5, page 110. Are there any other trusts investing in fossil fuels in this budget that we should know about?

**Jaclyn SYMES:** I might refer to the Secretary.

**Chris BARRETT:** Generally, most of the investments we quite deliberately steer through VFMC. I do know that there are a number of asset pools that do not use VFMC, but it is relatively small. We could come back to you with the names of those, on notice, just for completeness.

**Aiv PUGLIELLI:** Thank you. Just staying on that page reference, on spending from trusts, it shows that the government's carbon capture program CarbonNet is still getting funding, even when other carbon capture and storage projects like Chevron's in WA are failing. Now, we understand CarbonNet was banking on emissions from Labor's coal-to-hydrogen project – the Hydrogen Energy Supply Chain or HESC – to become financially viable, but reportedly the HESC is on its last legs after a key Japanese exporter pulled out last year. So can I ask: what impact would the HESC falling over have on the viability of CarbonNet?

**Jaclyn SYMES:** Mr Puglielli, I really would direct you to the minister for energy for detail in relation to the interaction of those two. She would be better placed.

**Aiv PUGLIELLI:** Yes, I am happy to do that. Are you able to give an update regarding the status of the HESC?

**Jaclyn SYMES:** No, I am not.

**Aiv PUGLIELLI:** All good. Just moving on to public sector jobs, can I ask: what were the interim findings of the Silver review?

**Jaclyn SYMES:** Thank you for your question. Whilst there have been some budget savings that have been identified in the budget to the tune of \$3 billion – some of that is attributed to some early findings from the Silver review; others are in relation to identification of savings from departments, such as the consolidation of accommodation and the like – it will be more appropriate for me to detail the findings of the Silver review once the final report is made. It is only early indications that have been presented in this budget. I accept that they are not specific, but you can get a sense of where that was directed from page 38 of budget paper 2, which goes through particularly her work and what she is focusing on. As we have indicated, we have been able to book some savings. Some of that has been informed by her review; some of it has been informed by some other internal departmental processes. The final report will detail her recommendations a lot more specifically in order for you to understand the impact.

**Aiv PUGLIELLI:** Thank you. This week a range of public sector workers have come out with an alternative to what is being pursued. They are calling it the 'Gold review'. The review argues that large-scale job losses can be avoided in part by 'culling' – in their words – 450 executive-level roles. Are you prepared to target executive-level staff through incoming cuts?

**Jaclyn SYMES:** Thank you for your question. I do not want to pre-empt the final report from the Silver review, but executive positions are in scope.

**Aiv PUGLIELLI:** Okay. How about cutting the use of consultants in the public service?

**Jaclyn SYMES:** We should always be looking to do that. Again, I do not want to pre-empt a report that I have not received yet, but it would be my expectation that all departments take stock of any outsourcing that can be in-house. It is a position that I have held for some time, and there has been a lot of good work across government in relation to that. I think it is only prudent, when we are looking at reducing the size of the public sector, that it is not a perverse outcome that services are then provided by someone else. That is not something that is the intention of this review. This is not about outsourcing the public service; this is about efficiency, consolidation and best practice.

**Aiv PUGLIELLI:** Thank you. How does the government expect to achieve the \$1 billion per year in savings and efficiencies planned for 2027–28 and 2028–29 – budget paper 3, page 102?

**Jaclyn SYMES:** It is the portion of the \$3 billion, so that is some corporate savings from non-frontline functions across government and some of the issues that I went through before, such as automation and scaling back our accommodation footprint. There are some lapsing programs, particularly some COVID-era programs, that were no longer required, so there has been some reduction in relation to those. Again, no frontline services

– the work of the Silver review picks up on some of this work, but the \$1 billion is the spread out of the \$3 billion that I referred to earlier.

**Aiv PUGLIELLI:** Can I ask: in relation to automation, does that mean jobs lost to AI?

**Jaelyn SYMES:** I would not probably characterise it like that. We are not replacing humans with robots, but we are certainly looking at efficiencies and technology and ensuring that people can do their job as effectively as possible. I think in relation to the opportunities for AI and the ability for people to be assisted to do their jobs, there are some great opportunities in that respect. I know that the Department of Government Services is leading a lot of work in that regard, freeing up people from repetitive tasks so they can really target their work to the things that matter most to the Victorian community. I think that is worthwhile work to do.

**Aiv PUGLIELLI:** Thank you. Just moving on, with regard to international students, there is a note in budget paper 3, at the bottom of page 146, that there has been a change from growing the number of international students to continued support because of national policy changes. Can I ask: would you prefer to be growing Victoria's market share of international student enrolments?

**Jaelyn SYMES:** That would be my position, Mr Puglielli, yes. The relevant department is DJSIR in relation to the support provided for international students. We know that it is one of the great assets that Victoria has. We have people that want to come to universities in Victoria. We know that when they are here they contribute to the vibrancy and diversity of the community, particularly in Melbourne, and the minister for economic growth will be well placed to give you an update on any of the initiatives designed to support, as you have indicated, the international students here in Victoria.

**Aiv PUGLIELLI:** Thank you. In relation to your role separately and your position, which you have just put on record, are you advocating federally for a higher number of international students to be admitted in Victoria?

**Jaelyn SYMES:** I am on the record with my support, but it is not my role.

**Aiv PUGLIELLI:** Thank you. I might move on to the tariffs from the USA, if that is all right – budget paper 2, page 25. It has been a few months now since the US trade tariffs have been in place, and I would be keen to discuss the modelled and the actual impacts these are having on our state. You have spoken about the significant value of food and beverage products, for example, that Victoria exports to the US. I just ask: now these tariffs in place, what impact can we expect them to have on our export of pharmaceutical products to the US, given last financial year we exported \$1.6 billion worth of these products?

**Jaelyn SYMES:** Yes, good question, and you have picked up the current situation quite well. Our direct exposure to higher US tariffs on Australian goods and exports is relatively modest. However, we are watching the indirect effects on Victoria's trade partners, because instability causes caution, which can reduce opportunity. So we are keeping an eye on that. You specifically mentioned pharmaceutical products. They are, alongside beef, Victoria's biggest exposure to the US tariff decisions. In relation to pharmaceutical products, that is a market of around \$1.4 billion. I have been advised by my department – and the Minister for Finance might be able to explore this further with you as well – that we are well placed to ride out the challenges because of the diverse economy and trading links with many other trading partners and countries. We have got our offices across the globe to be able to look at diversification and other markets. We are expected to be less exposed. As I said, goods exports accounted for only 7 per cent of the Victorian economy, but in relation to pharmaceuticals, that is an exposure, and we will continue to have conversations and certainly welcome the federal government's intervention, advocacy and opposition to some of the measures that have been made by the US administration. That is about all the information I have got at this time, but I am certainly happy to keep you updated through other means in relation to the impacts as they are realised or otherwise.

**Aiv PUGLIELLI:** Thank you. That would be great, because I was about to just go instead to digital technology components and our exposure there. Is there anything you can contribute in that regard?

**Chris BARRETT:** I am happy to make a comment here as well, and I might have said this at the breakfast the other day – I am not sure whether you were there, Mr Puglielli. But one of the biggest potential impacts here, or the one that we can pretty much bank on, is a poorer US consumer. Now, I do not know it off the top of my head, but I imagine we have a pretty substantial trade deficit with the US in terms of IT, because they are big exporters of it. But as the US consumer is poorer, that has an impact on the global economy, not to even

speak of some of the confidence effects from the chopping and changing of policy. So that is where you might expect to see an impact, but I could not speak to it directly in the digital services space for Victoria.

**Aiv PUGLIELLI:** Okay. And I had a follow-on in biotechnology, but where should I direct that?

**Chris BARRETT:** Probably the minister for economic growth, I think, and DJSIR later in the week.

**Jaelyn SYMES:** I think Mr Pearson is tomorrow, so I will make sure he is ready.

**Aiv PUGLIELLI:** Looking forward to it. Thank you. In relation to the tariffs themselves, what are farmers and producers telling government?

**Jaelyn SYMES:** Interestingly, Victorian beef in particular is quite a high premium product. People are already paying quite a lot for that product, so it is envisaged that people will continue to be happy to pay a premium amount because they are already a cohort of people who perhaps a couple of dollars extra a kilo is necessarily going to impact particularly. What we are also hearing – and again I think the Minister for Finance will be able to go into this in some depth – is that in America they do not have the beef that makes the best burgers. They need to mix their beef with our beef, which is basically because of the feeding practices that we have in Australia versus the US. So if Americans want to continue to have hamburgers, they are probably going to continue to require Australian beef, and as you have seen, the settings in the US in relation to tariffs have continued to change as impacts become realised on citizens of that country. So that is what producers are specifically telling us about. They are optimistic about the fact that their product is required across the globe. It does not mean that they are not looking at diversification and particularly opportunities in other countries, but that is what I am hearing in some of the conversations I have had. But again, the Minister for Finance leads a lot of the trade policy in Victoria.

**The CHAIR:** Thank you, Mr Puglielli. We are going to go straight to Mr Hilakari.

**Mathew HILAKARI:** Thanks, Treasurer.

**Jaelyn SYMES:** Equally patient down there.

**Mathew HILAKARI:** I am very patient. Thank you. And thanks, Treasurer and officials, for attending this morning. It has been really insightful so far. Treasurer, you were previously here as the Attorney-General, so you can predict where I am going to go around the Wyndham law courts and a project that we have discussed before a number of times which people in the south-west of Melbourne are very excited about. I am taking you to budget paper 3, pages 70 and 99, and I am just hoping you could go through how the operationalisation of the Wyndham law courts will provide that access to justice for the people in the communities that I and the Chair represent.

**Jaelyn SYMES:** Thank you, Mr Hilakari. I am just checking to see whether I have got the specifics of the Wyndham law courts in my folders. It is a great project, and the budget is operationalising the opening of Wyndham. You have had a bit of a site tour in relation to the size of that venue. It is all about ensuring that those in the west have got access to a state-of-the-art facility that is catching up on outdated infrastructure that has been servicing the needs of a population without the ability to respond to growth – that, effectively, is what has happened out there. This budget includes \$65.9 million in output funding under the policing and community safety initiatives, and it includes the funding for the op –

**Mathew HILAKARI:** Op – now you have got me doing it. Oh my God, between us –

**Jaelyn SYMES:** The ability to open and operate Wyndham law courts and some other measures in relation to that. This has been led by court services. The Magistrates' Courts in particular will be a lead tenant in relation to the services that will be provided at that facility. It is well positioned next to the police station, so it becomes a bit of a justice precinct. One of the things I was particularly proud about in relation to that project was the consultation and involvement of local Aboriginal leaders and ensuring that it is a place that is culturally safe in terms of really ensuring that the design and some of the features pick up on the traditional owners of that area, and I think the garden and things like that – I am keen to get out there and see where things are up to since I was last there.

**Mathew HILAKARI:** It is looking amazing at the moment. There is a bit of work still on the gardens to undertake – you know, some of those really last parts of the infrastructure build – but it just looks like an incredible facility for the community.

**Jaclyn SYMES:** Yes. I think, as you have indicated, the projects are technically complete in relation to build, but there is still some of the fit-out and some of the surrounding work to be completed. It is a facility that is designed to cater for future growth.

**Mathew HILAKARI:** That is right.

**Jaclyn SYMES:** There are areas of it that will be ready to expand in the future to accommodate a range of services. Obviously the Magistrates' Court, as I said, would be the anchor tenant, but in relation to having spots for legal aid, Westjustice and interpreters, there are a range of other services that have the opportunity to be placed at the court, and there is a range of other work underway that I am sure you would be advocating for in relation to access and public transport in that area.

**Mathew HILAKARI:** The Attorney-General I think has got a heads-up now that I will be asking more about the Wyndham law courts in her session.

**Jaclyn SYMES:** Yes, perfect.

**Mathew HILAKARI:** Now, I might take us more broadly to infrastructure, with reference to budget paper 4, page 1. I am just hoping you can lay out how the infrastructure program that we have in front of us is setting out the foundations for future productivity, for our livability and our economic growth. It has been a hallmark of this government over the previous decade, that real emphasis on infrastructure spend, so I am just hoping you can run us through that a little bit to start with.

**Jaclyn SYMES:** Thank you, Mr Hilakari. I think it leads on well from your question around Wyndham law courts, particularly growth corridors and population increases in the state of Victoria in general. As we continue to grow, we have got to make sure that the infrastructure needs are keeping pace. I am an advocate for investment in productive infrastructure – I think that is a good thing; I think it is a responsible thing to do as a government – and our capital investment will continue to pay economic and social dividends for decades to come because we have made those decisions. You would appreciate, being on the government benches, that Victorians have repeatedly endorsed our infrastructure agenda at several elections. It creates thousands of jobs, it improves productivity for businesses, it means people are in traffic less and less and it means that services can be delivered more effectively for the whole state.

As of 7 May 2025 we have a total of \$213 billion in capital projects underway. We have removed 85 of the dangerous and annoying level crossings, with 110 to be removed by 2030. I have previously mentioned the opening of Metro Tunnel and West Gate Tunnel – transformational projects. I had the opportunity to visit Parkville station, of the Metro Tunnel – amazing in terms of what is underground, which you cannot see until it opens. That loop is just going to give the ability to move around the city, but also freeing up and improving and increasing services out to other parts of the city is going to be incredible.

We added around \$8.1 billion worth of total estimated investment to our existing infrastructure program in this budget. They are projects that are important – carefully calibrated investments in education, in health and in transport – and we have had the opportunity to talk about some of those projects throughout the hearing. Again, I think, referring to where we started way back at the start with Mr Welch, the government infrastructure investment, the GII, peaked at \$24.2 billion in 2023–24, has gently eased off to \$23.8 billion in the past 12 months and will continue to taper down further in the financial year to come, with expectations of moderating to \$15.6 billion by 2028–29 and continuing to average to – sorry, lots of figures – \$17.9 billion a year over the budget's forward estimates. The reason it is important to talk about all of those figures is that we want to see a sustainable infrastructure program returning our infrastructure spend to our pre-pandemic levels. Obviously it is productive, important infrastructure – we want to maintain jobs, but obviously we do have financial management responsibilities that involve ensuring that we are moderating that investment as appropriate.

I think one of the things that is important for this committee probably to be conscious of is that for a long time we did not get the investment from the federal government that we deserved. You can point to around

\$9.4 billion less in infrastructure funding than we proportionately deserved as a share of our population. We got \$11.1 billion instead of \$20.5 billion. Over the same period, New South Wales received about \$2.9 billion more than its population share of infrastructure funding. So you can imagine what that would have done to our books if we had received that funding when it should have been forthcoming. I am optimistic, and there are much better signs now of a cooperative partner in Canberra. We have received new, jointly funded projects in partnership with the re-elected Albanese government, including in this year's budget the \$4.1 billion Sunshine station superhub – I am sure the Chair is certainly across the details of that project – and also a \$1.2 billion road blitz package. There is a lot of catching up to do in my view, but these are good signs that we are finally getting some of the help that we need. We are part of the Commonwealth, and for too long others have benefited at our expense.

**Mathew HILAKARI:** You pointed out something that is really important for the community that I represent – federal Labor delivered \$55 million for Central Avenue in Point Cook and another \$3.5 million to consider future road proposals there. That catch-up is critical in outer suburban communities.

I am going to keep on transport because that is really one of those areas that we want to see a lot of uplift on. I refer you to budget paper 4, page 10. It goes through the state's integrated transport network, and I am just hoping you could outline what that rail and road infrastructure spend will particularly deliver for our community?

**Jaelyn SYMES:** I thank you for your question. I think particularly those in the west are living and breathing a lot of the issues and know the importance of large-scale infrastructure projects that do not just benefit their community but that have flow-on benefits to the rest of the state. By the end of this year our transport network will be transformed beyond recognition of what it was – well, today, effectively, but even more so a decade ago – both, as I said, above ground and below. With what is going on – when people get to see it, I think they will acknowledge what the worthy investment is for.

The West Gate Tunnel obviously will open to drivers in 2025, delivering our long-awaited second river crossing, easing congestion on the West Gate Bridge and creating better connections between the west and the city. There are new, twin three-lane tunnels taking traffic between Yarraville and the Maribyrnong River, with a new elevated road above Footscray Road. I have seen a little bit of it driving past, but once it opens it will be –

**Mathew HILAKARI:** I drove down past the tunnel this morning. The workers, who are doing a great job, were just lifting out some of the cages full of equipment. That gives me some good signs that that is really progressing.

**Jaelyn SYMES:** Yes, it is exciting and close.

**Mathew HILAKARI:** It is a brilliant tunnel.

**Jaelyn SYMES:** What it will do in relation to, as I said, the ability to get in from the west – the impact for locals will be amazing. I think there are a lot of active transport initiatives connected to it as well – 14 or 15 kilometres of cycling and walking paths, new parks, wetlands and lots of tree planting and the like. It is an infrastructure project with a lot of community benefit as well.

We talked about the Metro Tunnel. It is, quite frankly, the biggest transformation of our rail network since the city loop in 1989. It includes twin 9-kilometre tunnels under the CBD and five underground stations. I saw Parkville. Apparently they are all quite different as well, so I am looking forward to seeing the others – obviously Arden, State Library, Town Hall and Anzac. It is critical infrastructure which will double the size of the underground rail network. Final construction and commissioning activities are underway at the moment. The budget provided operational output funding to switch it on of \$727 million. They are major, major projects. But again obviously there are signature suburban transport infrastructure projects – the level crossing removals and a range of other projects that I know you are particularly familiar with because there are some big ones in your patch.

**Mathew HILAKARI:** Some good ones. When the Metro Tunnel opens, it frees up some space on the Werribee line.

**Jaelyn SYMES:** The Werribee line, that is right.

**Mathew HILAKARI:** We will see an uplift in peak hour trains, which I am pretty excited about; I think the people in the community I represent are too. Another matter that is pretty important for Victorians is our health system. I want to take you to the budget paper 4, page 15, just related to the healthcare services and those hospitals that we are improving and potentially even opening this year.

**Jaelyn SYMES:** That is a leading question to talk about one that is in the west, I reckon.

**Mathew HILAKARI:** I think it is. I think it might be. At the time it was our biggest health infrastructure program, but it has been superseded.

**Jaelyn SYMES:** It is an incredible-looking project. I have driven past it reasonably recently, and it looks pretty exciting. I have asked the Minister for Health Infrastructure, Minister Horne, for a bit of a site visit at some point; I had to get through budget first.

**Mathew HILAKARI:** Happy to join you on that one. It has been such a great project.

**Jaelyn SYMES:** Yes. I am pretty excited to go and have a look. It is one of the state's largest ever health infrastructure projects. It will be a state-of-the-art medical facility for, as you know well, a very fast growing area of the state. It is designed to meet increased demand for the western suburbs, effectively taking pressure off some of the existing hospitals. Obviously it is a complete brand new build – a brand new one replacing the old hospital. It will be bigger, it will be better, it will have more beds, it will offer more services, it will have an expanded emergency department and, as I said, it looks phenomenal. The remaining construction work is currently focused on the internal services and fit-out. This year's budget had \$305 million to make sure that that hospital can open and operate for the community.

The other big piece of health infrastructure is quite away from your patch, on the other side of the city, and that is the Frankston Hospital redevelopment. It is going to service more Mr Tak's community in relation to the south-east. That was \$165 million to open and operate that hospital. It will transform services and deliver a new 12-storey clinical services tower. Again, like Footscray, it has more beds, more spaces for mental health and oncology services. It will have a new operating theatre and will deliver and expand women's health services. There are new maternity, obstetrics and paediatric wards, a women's clinic and special care nursery and, again similar to Footscray, an expanded emergency department. These are massive investments to ensure that people in the state of Victoria can get the health services that they need in the best possible way.

**Mathew HILAKARI:** The Member for Frankston is pretty excited about that project; he has spoken to me about that one before. So it will be great to see that come on line. I am really ticking off on the big three: road and rail infrastructure spending, we have done health, and now I want to get onto education. These are the landmark and the hallmark statuses of our government. We have got \$1.1 billion dedicated to education in this budget in terms of infrastructure spending, and I will take you to the capital program, again on page 14. I am just hoping you could go through some of these upgrades – where these schools are and what benefits the community expects to have as an outcome.

**Jaelyn SYMES:** I definitely can, because this is investment that goes across the entire state. Obviously we have a strong record of investing in education, and this budget is certainly no different. One of the features of this budget is that it delivers on our commitment to having 100 schools open to students for day one, term 1 of 2026. We have already opened 81, including six that opened at the start of this year, and the final 19 are on track to meet the day one, term 1 operating date.

We have also got capital upgrades at 35 schools across Victoria. You asked about some of those schools. It includes Hampton Primary School, Stawell West Primary School and Rangebank Primary School. We are also continuing the Capital Works Fund, which will basically be spread out across the state. There is investment for new schools in Aintree and Officer and expansion at some of the recently opened schools in the growth suburbs of Cranbourne, Tarneit, Truganina and Werribee – which again, I think a couple of the members of the committee are familiar with and quite happy about those budget outcomes.

What the budget also does, Mr Hilakari, is acquit all of the commitments that we made to the Victorian public ahead of the election. For me in particular, I am very pleased to report that Broadford Primary School and Wangaratta High School will receive their capital funding. They are schools that I have been working with for some time, so ensuring that all of that investment is flowing and those capital works are completed is something

I know lots of communities around the state are pretty excited about. I am sure we all have similar experiences when we visit schools: they can all pretty much point to some infrastructure requirements that they need, whether it is old buildings that are no longer fit for purpose, which is certainly the case at Broadford Primary School, or some of those growth pressures indeed where more and expanded classrooms and the like are required. The budget provides for a range of needs across a range of towns and suburbs, as it always does, but there is a lot of investment in the education infrastructure part of the budget.

**Mathew HILAKARI:** You talked about all of Victoria benefiting from this budget, so I might take you to regional Victoria and how this has budget supported regional Victoria in the limited time we have got.

**Jaclyn SYMES:** Are you the last question?

**Mathew HILAKARI:** I am the last question.

**Jaclyn SYMES:** That is a good segue into my next portfolio, which is regional development. What I would particularly like to spend the last 10 seconds talking about is our dedicated stream of \$50 million focused on backing local businesses and creating more jobs in regional Victoria, and I will get the opportunity to pick up that in the next session.

**Mathew HILAKARI:** We can get back to that one.

**The CHAIR:** Thank you, Treasurer. Time flies when you are having fun. Thank you, everyone, for appearing before the committee today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee's request.

The committee is going to take a short break before beginning its consideration of the industrial relations portfolio at noon.

I declare this hearing adjourned.

**Witnesses withdrew.**